This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED MAY 12, 2022

NEW ISSUE – BOOK ENTRY ONLY **RATING: Moody's : "Aa2"**
(See "RATING" herein.)

In the opinion of Dannis Woliver Kelley, Bond Counsel to the District, under existing law, interest on the Bonds is exempt from personal income taxes of the State of California, and, assuming continuing compliance after the date of initial delivery of the Bonds with certain covenants contained in the Resolution authorizing the Bonds and subject to the matters set forth under "TAX MATTERS" herein, interest on the Bonds for federal income tax purposes under existing statutes, 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 Bonds, and will not be included in computing the alternative minimum taxable income of the owners thereof. See "TAX MATTERS" herein.

$25,520,000*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
2022 GENERAL OBLIGATION REFUNDING BONDS

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

The Lodi Unified School District, San Joaquin County, California 2022 General Obligation Refunding Bonds (the "Bonds") are being issued by the Lodi Unified School District (the "District") to (i) refund certain maturities of the District's outstanding 2012 General Obligation Refunding Bonds and (ii) pay certain costs of issuance associated therewith, as more fully described herein under the caption "PLAN OF REFUNDING." The Bonds are issued on a parity basis with all other general obligation bonds of the District.

The Bonds are general obligations of the District only and are not obligations of San Joaquin County (the "County"), the State of California or any of its other political subdivisions. The Board of Supervisors of the County has the power and is obligated to levy and collect *ad valorem* property taxes without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for each fiscal year upon the taxable property of the District in an amount at least sufficient, together with other moneys available for such purpose, to pay the principal of, and premium, if any, and interest on each Bond as the same becomes due and payable.

Interest on the Bonds is payable on February 1 and August 1 of each year, commencing August 1, 2022. See ''THE BONDS'' herein.

The Bonds will be issued in book-entry form only, in denominations of $5,000 or integral multiples thereof. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive certificates representing their interests in the Bonds. Payments on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as Paying Agent, to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS – Book-Entry Only System."

The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption" herein.

MATURITY SCHEDULE
On Inside Cover

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

The Bonds are offered when, as and if issued, subject to the approval of their legality by Dannis Woliver Kelley, Long Beach, California, Bond Counsel, and certain other conditions. Dannis Woliver Kelley, Long Beach, California, is acting as Disclosure Counsel for the issue. Certain matters will be passed upon for the Underwriter by its counsel Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds will be available for delivery in definitive form in New York, New York, through the facilities of DTC on or about June 2, 2022.

STIFEL

The Date of this Official Statement is ________, 2022.

* Preliminary; subject to change.

MATURITY SCHEDULE

$25,520,000*
Lodi Unified School District
San Joaquin County, California
2022 General Obligation Refunding Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[1] (540261)

$________ ______% Term Bonds due August 1, 20__; Yield ______ CUSIP[1] 540261

* Preliminary; subject to change.
[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter, or their agents or counsel assumes responsibility for the accuracy of such numbers.

LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, State of California

Board of Education

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

District Administration

Dr. Cathy Nichols-Washer*, *Superintendent*
Leonard Kahn, *Chief Business Officer*
April Juarez, *Senior Director/Controller*
Mike McKilligan, *Assistant Superintendent, Personnel*
Neil Young, *Assistant Superintendent, Elementary Education*
Scott McGregor, *Assistant Superintendent, Secondary Education*
Dr. Robert Sahli, *Assistant Superintendent, Curriculum/Instruction/Assessment*

SPECIAL SERVICES

Bond Counsel and Disclosure Counsel
Dannis Woliver Kelley
Long Beach, California

Municipal Advisor
Dale Scott & Company Inc.
San Francisco, California

Paying Agent, Transfer Agent, Registration Agent and Escrow Agent
The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

Verification Agent
Causey, Demgen & Moore, P.C.
Denver, Colorado

* Dr. Nichols-Washer has announced her retirement from the District at the end of the 2022-23 school year.

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(continued)

No dealer, broker, salesperson or other person has been authorized by the Lodi Unified School District (the "District") to provide any information or to make any representations other than as contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell, the solicitation of an offer to buy, nor shall 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.

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 described herein, are intended solely as such and are not to be construed as a representation of facts.

The information and expressions of opinion 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. Although certain information set forth in this Official Statement has been provided by the San Joaquin County, the San Joaquin County has not approved this Official Statement and is not responsible for the accuracy or completeness of the statements contained in this Official Statement except for the information set forth under the caption "SAN JOAQUIN COUNTY POOLED INVESTMENT FUND."

In connection with this offering, the Underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby 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 the Bonds to certain securities dealers, institutional investors, banks or others at prices lower or higher than the public offering prices stated on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

The Underwriter has provided the following sentence for inclusion in this Official Statement. "The Underwriter has reviewed the information in this Official Statement in accordance with, and as 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.

$25,520,000*
LODI UNIFIED SCHOOL DISTRICT
San Joaquin County, California
2022 GENERAL OBLIGATION REFUNDING BONDS

INTRODUCTION

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

The Lodi Unified School District (the "District") proposes to issue $25,520,000* aggregate principal amount of its 2022 General Obligation Refunding Bonds (the "Bonds") in order to refund certain general obligation refunding bonds which were issued to refund certain general obligation bonds of the District issued pursuant to an authorization (the "2002 Authorization") for the issuance and sale of not to exceed $109,360,000 of general obligation bonds approved by more than 55% or more of the qualified voters of the District voting on the proposition at a general election held on March 5, 2002, pursuant to which no additional general obligation bonds remain for issuance. Refunding bonds are not counted against the 2002 Authorization amount and therefore, the District may issue the Bonds, as well as additional refunding bonds in the future, to refund outstanding general obligation bonds issued pursuant to the 2002 Authorization. The Bonds are issued on a parity basis with all general obligation bonds of the District.

Purpose of Issue

The District intends to apply the proceeds from the sale of the Bonds to (i) refund a portion of its outstanding 2012 General Obligation Refunding Bonds (the "2012 Refunding Bonds") and (ii) pay all legal, financial and contingent costs in connection with the issuance of the Bonds. See "PLAN OF REFUNDING" below.

Registration

The Bank of New York Mellon Trust Company, N.A. will act as the initial registrar, transfer agent and paying agent for the Bonds (the "Paying Agent"). As long as The Depository Trust Company, New York, New York ("DTC") is the registered owner of the Bonds and DTC's book entry-method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. See "THE BONDS – Description of the Bonds" herein.

The District

The District, which was established in 1967, is located in the San Joaquin Valley of central California. The District includes 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 approximately 350 square miles and a population of approximately 185,000 residents. Enrollment in the District for fiscal year 2021-22 is 27,512 students. The District currently operates 32 elementary schools, (most of which have a grade configuration of kindergarten through 6th grade, one GATE school for grades four through eight, and two schools for grades kinder through eight), five middle schools serving

* Preliminary; subject to change.

grades seven and eight, two alternative schools of choice (one serving grades seven and eight and one serving grades kinder through twelve), four comprehensive high schools, one high school offering college preparatory classes, two alternative high schools, an independent study school, preschool programs, one charter school, and an adult education program. The District also has five independent charter schools operating within the District. The average daily attendance ("ADA") for the District for fiscal year 2021-22 is projected to be 26,731 and the District has a 2021-22 assessed valuation of $19,929,958,456. See "THE LODI UNIFIED SCHOOL DISTRICT" herein for more information regarding the District.

Additionally, for information regarding the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic on (i) the security and sources of repayment of the Bonds, see "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" and (ii) the District's finances and revenues, see "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" and "-Effect of COVID-19 Response on California School Districts" herein.

Sources of Payment for the Bonds

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

Continuing Disclosure

The District has covenanted that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement executed by the District in connection with the Bonds. See "THE BONDS – Continuing Disclosure Agreement," "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

Professionals Involved in the Offering

Dannis Woliver Kelley, Long Beach, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas is acting as registrar, transfer agent and paying agent for the Bonds. Dale Scott & Company Inc., San Francisco, California, is acting as Municipal Advisor to the District in connection with the issuance of the Bonds. Kutak Rock LLP, Denver, Colorado, is acting as counsel to the Underwriter (as defined herein) with respect to the Bonds. Dannis Woliver Kelley, The Bank of New York Mellon Trust Company, N.A. and Dale Scott & Company Inc. will receive compensation from the District contingent upon the sale and delivery of the Bonds. Kutak Rock LLP will receive compensation from the Underwriter contingent upon the sale and delivery of the Bonds.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein. THE ACHIEVEMENT OF CERTAIN

RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. OTHER THAN AS SET FORTH IN THE CONTINUING DISCLOSURE AGREEMENT, THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Closing Date

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about June 2, 2022.

THE BONDS

Authority for Issuance

The Bonds are general obligations of the District. The Bonds are being issued by the District under the provisions of Title 5, Division 2, Part 1, Chapter 3, Articles 9 and 11 of the Government Code of the State of California (the "Government Code") (commencing with Section 53550) and pursuant to a resolution of the Board of Education of the District adopted on May 10, 2022 (the "Resolution").

Purpose of Issue

The net proceeds of the Bonds will be applied to refund a portion of the 2012 Refunding Bonds. See "PLAN OF REFUNDING" herein.

Description of the Bonds

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

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

Book-Entry Only System

The Bonds will be issued under a book-entry system, evidencing ownership of the Bonds in denominations of $5,000 principal amount or integral multiples thereof, with no physical distribution of Bonds made to the public. DTC will act as depository for the Bonds, which will be immobilized in their custody. The Bonds will be registered in the name of Cede & Co., as nominee for DTC. For further information regarding DTC and the book entry system, see APPENDIX F hereto.

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

Payment of the Bonds

Interest on the Bonds is payable commencing August 1, 2022, and semiannually thereafter on February 1 and August 1 of each year (each, an "Interest Payment Date") until maturity or earlier redemption. The Bonds shall be issued in fully registered form, without coupons, in denominations of $5,000 or any integral multiple thereof.

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

Redemption*

Optional Redemption. The Bonds maturing on and prior to August 1, 20___, are not subject to redemption prior to their stated maturity date. The Bonds maturing on and after August 1, 20__, are subject to redemption prior to their stated maturity date at the option of and as directed by the District, in whole or in part on any date on or after August 1, 20__, from any source lawfully available therefor, at a redemption price equal to the principal amount of the Bonds called for redemption, together with accrued interest to the date fixed for redemption without premium.

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* Preliminary; subject to change.

Mandatory Redemption. The Bonds maturing on August 1, 20__ are subject to mandatory sinking fund redemption on August 1 of each Mandatory Sinking Fund Payment Date and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Payment Date (August 1)	Principal Amount to be Redeemed

____

(1) Maturity.

In the event that a portion of the Bonds maturing on August 1, 20__ is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount of such Bonds optionally redeemed.

Selection of Bonds for Redemption

Whenever provision is made for the redemption of the Bonds and less than all Outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall select Bonds for redemption in such order as the District may direct, or, in the absence of such direction, in inverse order of maturity within a series. Within a maturity, the Paying Agent shall select Bonds for redemption by lot. Redemption by lot shall be in such manner as the Paying Agent shall determine; provided, however, that the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption

The Paying Agent, upon written instruction from the District given at least 45 days prior to the date designated for such redemption, shall give notice of the redemption of the Bonds at least 20 but not more than 60 days prior to the redemption date, to the respective Owners of Bonds designated for redemption by first class mail, postage prepaid. Such notice shall specify: (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount, as appropriate, of such Bond to be redeemed, (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part and (h) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. Such notice shall further state that on the specified date there shall become due and payable upon each Bond to be redeemed, the portion of the principal amount of such Bond to be redeemed, together with interest accrued to said date, and that from and after such date interest with respect thereto shall cease to accrue and be payable. Notice of redemption shall be by registered or otherwise secured mail or delivery service, postage prepaid, to the registered Owner of the Bonds, or if the registered Owner is a syndicate, to the managing member of such syndicate, to a municipal registered securities depository, such as the Securities Depositories and to a national information service that disseminates securities redemption notices, such as Information Services and by first class mail, postage prepaid, to the District and the respective Owners of any registered Bonds designated for redemption at their addresses appearing on the Bond Register, in every case at least twenty (20) days, but not more than sixty (60) days, prior to the redemption date; provided that neither failure to receive such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the redemption of such Bonds.

Any notice of redemption for an optional redemption of the Bonds may be conditional, and, if any condition stated in the notice of redemption shall not have been satisfied on or prior to the redemption date: (i) the notice of redemption shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional notice of redemption was given that such condition or conditions were not met and that the redemption was canceled.

Effect of Notice of Redemption

A certificate of the Paying Agent that notice of redemption has been given to Owners shall be conclusive as against all parties. Neither the failure to receive the notice of redemption, nor any defect in such notice shall affect the sufficiency of the proceedings for the redemption of the Bonds or the cessation of interest on the date fixed for redemption. When notice of redemption has been given substantially as provided for in the Resolution, and when the redemption price of the Bonds called for redemption is set aside for the purpose, 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 therefor. The Owners of such Bonds so called for redemption after such redemption date shall be entitled to payment thereof only from the Debt Service Fund (as defined herein) or the trust fund established for such purpose. All Bonds redeemed shall be cancelled forthwith by the Paying Agent.

Right to Rescind Notice of Redemption

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 so called for redemption. Any optional redemption and notice thereof shall be rescinded if for any reason on the date fixed for redemption moneys are not available in the Debt Service Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of and 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.

Transfer and Exchange

If the Bonds are no longer in book-entry-only form, any Bond may be exchanged for Bonds of like tenor, series, maturity and principal amount upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of such Bond at the principal office of the Paying Agent together with an assignment executed by the Owner or a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Defeasance

If any or all Outstanding Bonds shall be paid and discharged in any one or more of the following ways: (a) by well and truly paying or causing to be paid the principal of and interest on all Bonds Outstanding, as and when the same become due and payable; (b) by depositing with the Paying Agent, in trust, at or before maturity, cash which is fully sufficient to pay all Bonds Outstanding on their redemption date or at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; or (c) by depositing with an institution to act as escrow agent selected by the District and which meets the requirements of serving as Paying Agent pursuant to the Resolution, in trust, lawful money or noncallable direct obligations issued by the United States Treasury (including State and Local Government Series Obligations) or obligations which are unconditionally guaranteed by the United States of America and described under Section 149(b) of the Code and Regulations which, in the opinion of nationally recognized bond counsel, will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds, in such amount as will, together with the interest to accrue thereon without the need for further investment, be fully sufficient, in the opinion of a verification agent satisfactory to the District, to pay and discharge all Bonds Outstanding at maturity thereof, including any premium and all interest thereon, notwithstanding that any Bonds shall not have been surrendered for payment; then all obligations of the District and the Paying Agent under the Resolution with respect to such Outstanding Bonds shall cease and terminate, except only the obligation of the Paying Agent to pay or cause to be paid to the Owners of the Bonds all sums due thereon, and the obligation of the District to pay to the Paying Agent amounts owing to the Paying Agent under the Resolution.

Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 (the "Rule") promulgated by the Securities and Exchange Commission, the District will enter into a Continuing Disclosure Agreement (the "Continuing Disclosure Agreement") in the form of APPENDIX D hereto, on or prior to the delivery of the Bonds in which the District will undertake, for the benefit of the Beneficial Owners of the Bonds, to provide certain information as set forth therein. See "CONTINUING DISCLOSURE" herein and APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto.

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SOURCES AND USES OF FUNDS

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

Sources of Funds

Principal Amount of Bonds
[Net] Original Issue Premium
Total Sources

Uses of Funds

Deposit to Escrow Fund
Costs of Issuance[1]
Total Uses

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

DEBT SERVICE SCHEDULE

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

DEBT SERVICE ON THE BONDS

Bond Year Ending August 1	Principal	Interest	Total Debt Service
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
Total			

The table on the following page shows the annual debt service payments on the District's outstanding general obligation bonds issued under District-wide authorizations, comprising the 2012 Refunding Bonds, 2015 General Obligation Refunding Bonds ("2015 Refunding Bonds"), 2017 General Obligation Refunding Bonds ("2017 Refunding Bonds"), General Obligation Bonds, Election of 2016, Series 2017 ("2017 Bonds"), General Obligation Bonds, Election of 2016, Series 2020 ("2020 Bonds"), General Obligation Bonds, Election of 2016, Series 2021 ("2021 Bonds"), and the Bonds. The table on the second following page shows the annual debt service payments on the District's outstanding general obligation bonds issued under an authorization within the District's School Facilities Improvement District No. 1 (the "Improvement District"), comprising the 2016 General Obligation Refunding Bonds (the "2016 Refunding Bonds"), General Obligation Bonds Election of 2006, Series 2018 (the "2018 Bonds"), and General Obligation Bonds Election of 2006, Series 2020 (the "2020 Bonds").

DEBT SERVICE ON ALL OUTSTANDING GENERAL OBLIGATION BONDS
LODI UNIFIED SCHOOL DISTRICT

	2002 Authorization			2016 Authorization				
Year Ending August 1	2012 Refunding Bonds	2015 Refunding Bonds	2017 Refunding Bonds	2017 Bonds	2020 Bonds	2021 Bonds	The Bonds	Total
2022	$4,217,206.26	$685,638.00	$4,811,957.50	$2,384,350.00	$12,798,800.00	$ 2,933,966.18		
2023	4,372,456.26	705,572.00	5,044,615.00	2,384,350.00	6,436,800.00	5,977,775.00		
2024	4,377,706.26	719,529.50	3,454,400.00	2,384,350.00	5,299,800.00	5,206,175.00		
2025	4,394,706.26	732,650.00	3,633,965.00	2,384,350.00	5,498,400.00	3,464,825.00		
2026	4,452,456.26	749,933.50	3,812,537.50	3,784,350.00	4,940,800.00	3,139,625.00		
2027	4,570,743.76	761,240.50	--	3,915,850.00	5,081,800.00	3,221,025.00		
2028	4,861,250.00	771,710.50	--	4,052,350.00	5,224,200.00	3,313,225.00		
2029	5,160,750.00	786,343.50	--	4,198,100.00	5,367,600.00	3,405,625.00		
2030	--	--	--	4,342,100.00	5,516,600.00	3,503,025.00		
2031	--	--	--	4,493,850.00	5,670,600.00	3,601,150.00		
2032	--	--	--	4,652,350.00	5,829,000.00	3,703,150.00		
2033	--	--	--	4,816,600.00	5,991,200.00	3,804,150.00		
2034	--	--	--	4,980,600.00	6,161,600.00	3,908,950.00		
2035	--	--	--	5,158,600.00	6,329,400.00	4,017,150.00		
2036	--	--	--	5,337,000.00	6,504,200.00	4,133,350.00		
2037	--	--	--	5,522,200.00	6,685,200.00	4,252,300.00		
2038	--	--	--	5,718,400.00	6,871,600.00	4,363,700.00		
2039	--	--	--	5,919,600.00	7,063,400.00	4,486,250.00		
2040	--	--	--	6,125,000.00	7,259,000.00	4,612,950.00		
2041	--	--	--	6,338,800.00	7,457,600.00	4,743,500.00		
2042	--	--	--	--	11,234,450.00	7,012,600.00		
2043	--	--	--	--	11,572,050.00	7,219,800.00		
2044	--	--	--	--	--	15,948,650.00		
2045	--	--	--	--	--	16,427,000.00		
2046	--	--	--	--	--	16,922,900.00		
Total	$36,407,274.98	$5,912,617.50	$20,757,475.00	$88,893,150.00	$150,794,100.00	$143,322,816.18		

DEBT SERVICE ON ALL OUTSTANDING GENERAL OBLIGATION BONDS SCHOOL FACILITIES IMPROVEMENT DISTRICT NO. 1[1]

Year Ending August 1	Series 2016 Refunding Bonds	Series 2018 Bonds	Series 2020 Bonds	Total
2022	$2,440,655.00	$190,231.26	$2,103,850.00	$4,734,736.26
2023	2,599,050.00	190,231.26	1,855,150.00	4,644,431.26
2024	2,763,800.00	190,231.26	1,607,300.00	4,561,331.26
2025	2,941,800.00	190,231.26	1,561,500.00	4,693,531.26
2026	3,126,800.00	190,231.26	500,300.00	3,817,331.26
2027	3,322,800.00	190,231.26	484,300.00	3,997,331.26
2028	3,528,550.00	190,231.26	468,300.00	4,187,081.26
2029	3,735,950.00	190,231.26	52,300.00	3,978,481.26
2030	3,955,550.00	190,231.26	52,300.00	4,198,081.26
2031	4,196,350.00	190,231.26	52,300.00	4,438,881.26
2032	4,446,950.00	190,231.26	52,300.00	4,689,481.26
2033	--	305,231.26	2,667,300.00	2,972,531.26
2034	--	321,637.50	--	321,637.50
2035	--	332,250.00	--	332,250.00
2036	--	347,375.00	--	347,375.00
2037	--	361,637.50	--	361,637.50
2038	--	375,225.00	--	375,225.00
2039	--	387,875.00	--	387,875.00
2040	--	406,375.00	--	406,375.00
2041	--	418,375.00	--	418,375.00
2042	--	434,125.00	--	434,125.00
2043	--	453,375.00	--	453,375.00
2044	--	470,875.00	--	470,875.00
2045	--	491,437.50	--	491,437.50
2046	--	510,687.50	--	510,687.50
2047	--	533,625.00	--	533,625.00
2048	--	555,062.50	--	555,062.50
Total	$37,058,255.00	$8,797,712.49	$11,457,200.00	$57,313,167.49

[1] Taxes for repayment of general obligation bonds issued by the District within the Improvement District are only levied within the Improvement District which comprises a portion of the District. See "LODI UNIFIED SCHOOL DSISTRICT – District Debt Structure" herein.

Permitted Investments

Under California law, the District is generally required to pay all moneys received from any source into the County treasury to be held on behalf of the District. The proceeds of the *ad valorem* property tax levied to pay the Bonds will be deposited in the County treasury to the credit of the Debt Service Fund established for the District pursuant to the Resolution (the "Debt Service Fund") for the Bonds and shall be accounted for separately from all other District and County funds. Such moneys shall be applied solely for the purposes of payment of principal of and interest on the Bonds.

All funds held by the San Joaquin County Treasurer-Tax Collector (the "Treasurer") in the Debt Service Fund are expected to be invested at the sole discretion of the Treasurer, on behalf of the District, in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time.

For a description of the permitted investments under the investment policy of the County and recent investment performance of the San Joaquin County pooled investment fund, see "SAN JOAQUIN COUNTY POOLED INVESTMENT FUND" and APPENDIX E − "SAN JOAQUIN COUNTY INVESTMENT POLICY STATEMENT AND MONTHLY INVESTMENT REPORT FOR MONTH ENDED MARCH 31, 2022."

SECURITY FOR THE BONDS

General

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

Property Taxation System

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

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

Restrictions on use of *Ad Valorem* Taxes and Statutory Lien on Debt Service – Senate Bill 222

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

Pursuant to Section 53515 of the State Government Code, effective for any bonds issued on and after January 1, 2016, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is 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 such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act. See "LEGAL MATTERS – California Senate Bill 222" herein.

Pledge of Tax Revenues

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

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

PLAN OF REFUNDING

The District intends to apply the net proceeds of the sale of the Bonds to (i) refund the currently outstanding 2012 Refunding Bonds maturing on and after August 1, 2023 (the "Refunded Bonds"), and (ii) pay the costs of issuance of the Bonds.

The Refunded Bonds intended to be refunded by the Bonds are shown in the table below:

LODI UNIFIED SCHOOL DISTRICT
2012 General Obligation Refunding Bonds
Bonds to be Refunded*

Maturity Date (August 1)	Principal Amount to be Refunded	CUSIP No. (540261)[1]	Redemption Date
2023	$3,195,000	KB9	August 1, 2022
2024	3,360,000	KC7	August 1, 2022
2025	1,750,000	KD5	August 1, 2022
2025	1,795,000	KJ2	August 1, 2022
2026	3,745,000	KE3	August 1, 2022
2027	3,985,000	KF0	August 1, 2022
2028	1,000,000	KG8	August 1, 2022
2028	3,410,000	KK9	August 1, 2022
2029	4,915,000	KH6	August 1, 2022

* Preliminary; subject to change.
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The maturity of the 2012 Refunding Bonds listed in the following table is not intended to be refunded by the Bonds and will remain outstanding subsequent to the issuance of the Bonds.

LODI UNIFIED SCHOOL DISTRICT
2012 General Obligation Refunding Bonds
Unrefunded Bonds*

Maturity Date (August 1)	Principal Amount	CUSIP No. (540261)[1]
2022	$2,895,000	KA1

Upon the issuance of the Bonds, the District will deposit the net proceeds of the Bonds into an Escrow Fund (the "Escrow Fund") established pursuant to the Escrow and Deposit Agreement, dated as of June 1, 2022, by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent (the "Escrow Agent") thereunder, in order to redeem the Refunded Bonds on August 1, 2022, at a redemption price of the par amount of the Refunded Bonds plus accrued interest.

The sufficiency of amounts deposited into the Escrow Fund, together with investment earnings thereon, to effect the redemption of the Refunded Bonds will be verified by Causey Demgen & Moore P.C., certified public accountants (the "Verification Agent"). See the caption "ESCROW VERIFICATION" herein.

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

TAX BASE FOR REPAYMENT OF THE BONDS

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

Ad Valorem **Property Taxation**

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

* Preliminary; subject to change.
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lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

The County levies a 1% property tax on behalf of all taxing agencies in the County. The taxes collected are allocated on the basis of a formula established by State law enacted in 1979. Under this formula, the County and all other taxing entities receive a base year allocation plus an allocation on the basis of "situs" growth in assessed value (new construction, change of ownership, inflation) prorated among the jurisdictions which serve the tax rate areas within which the growth occurs. Tax rate areas are specifically defined geographic areas which were developed to permit the levying of taxes for less than county-wide or less than city-wide special and school districts. In addition, the County levies and collects additional approved property taxes and assessments on behalf of any taxing agency within the County.

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

Property taxes on the unsecured roll as of July 31 become delinquent, if unpaid, on August 31 and are subject to a 10% delinquency penalty. Unsecured property taxes remaining unpaid on October 31 are also subject to an additional penalty of one and one half percent per month on the first day of each month thereafter. The additional penalties shall continue to attach until the time of payment or until the time a court judgment is entered for the amount of unpaid taxes and penalties, whichever occurs first.

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

Assessed Valuations

The assessed valuation of property in the District is established by the County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the full value of the property, as defined in Article XIIIA of the California Constitution. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES" herein.

The State Constitution currently requires a credit of $7,000 of the taxable value of an owner-occupied dwelling for which application has been made to the County Assessor. The revenue estimated to be lost to local taxing agencies due to the exemption is reimbursed from State sources. Reimbursement is based upon total taxes due upon such exempt value and is not reduced by any amount for estimated or actual delinquencies. Current law also provides, upon application, a basis exemption of $100,000 increased by inflation for veterans with specified disabilities or for unmarried spouses of deceased veterans. The exemption may be raised to $150,000 if the applicant meets the income limit of $40,000.

In addition, certain classes of property such as cemeteries, free public libraries and museums, public schools, churches, colleges, not-for-profit hospitals and charitable institutions are exempt from property taxation and do not appear on the tax rolls. No reimbursement is made by the State for such exemptions.

The following tables presents the historical assessed valuation in the District since fiscal year 2008-09. The District's total assessed valuation is $19,929,958,456 for fiscal year 2021-22.

LODI UNIFIED SCHOOL DISTRICT
Summary of Assessed Valuations
Fiscal Years 2008-09 Through 2021-22

Fiscal Year Ending	Total Secured[1][2]	Unsecured	Total Valuation	Annual % Change
2009	$14,289,622,842	$483,911,075	$14,773,533,917	--
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	482,991,754	18,882,300,393	4.96
2022	19,436,407,976	490,711,242	19,929,958,456	5.55

(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.*

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, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the County to pay the debt service with respect to the Bonds. See "SECURITY FOR THE BONDS."

Natural Disasters Impacting Assessed Valuations

Drought Conditions. Water shortfalls resulting from the driest conditions in recorded State history caused a State-wide drought State of Emergency for California in 2014 and the imposition by State regulators of reductions in water usage through 2017 when the State-wide drought ended in almost all California counties.

During fiscal year 2020-21, much of the State experienced Severe or Extreme Drought, pursuant to the U.S. Drought Monitor Classification Scheme. On July 8, 2021, Governor Newsom signed Executive Order N-10-21 calling on all Californians to voluntarily reduce water usage by 15%. On

October 19, 2021, Governor Newsom declared a State of Emergency due to drought in the State. On January 4, 2022, the State Water Board adopted emergency use regulations prohibiting certain wasteful water practices such as watering ornamental landscapes during rain and using potable water to clean hard surfaces and driveways. According to the U.S. Drought Monitor, as of May 3, 2022, 100% of the State is experiencing Moderate Drought, 95.2% of the State is experiencing Severe Drought and 40.5% of the State is experiencing Extreme Drought. The County is currently experiencing Severe Drought and Extreme Drought. The District cannot predict if or when water usage restrictions might be imposed again or what impact such restrictions, if imposed, might have on the assessed valuation of the District and the local economy.

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

Change in Economic Conditions. The 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 "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" for more information regarding the impact of COVID-19.

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

Re-assessments and Appeals of Assessed Valuations

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

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

County assessors, at their discretion, may also, from time to time, review certain property types purchased between specific time periods and may temporarily reduce the assessed value of qualifying properties to Proposition 8 assessed values without owner appeal therefor.

A property that has been reassessed under Proposition 8, whether pursuant to owner appeal or due to county assessor review, is subsequently reviewed annually to determine its lien date value. Assuming no change in ownership or new construction, and if and as market conditions improve, the assessed value of a property with a Proposition 8 assessed value in place may increase as of each property tax lien date by more than the standard annual inflationary factor growth rate allowed under Article XIIIA (currently, a 2% annual maximum) until such assessed value again equals the Article XIIIA base year value for such property as adjusted for inflation and years of ownership, at which point such property is again taxed pursuant to Article XIIIA and base year values may not be increased by more than the standard Article XIIIA annual inflationary factor growth rate. A change in ownership while a property is subject to a Proposition 8 reassessment assessed valuation will cause such assessed valuation to become fixed as a new Article XIIIA base year value for such property. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Article XIIIA of the California Constitution" herein.

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

Assessed Valuation by Jurisdiction

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

LODI UNIFIED SCHOOL DISTRICT
2021-22 Assessed Valuation by Jurisdiction

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Lodi	$ 7,353,233,712	36.90%	$ 7,353,233,712	100.00%
City of Stockton	6,712,246,514	33.68	26,144,690,583	25.67%
Unincorporated San Joaquin County	5,864,478,230	29.43	25,318,523,756	23.16%
Total District	$19,929,958,456	100.00%		
San Joaquin County	$19,929,958,456	100.00%	$90,840,687,074	21.94%

Source: *California Municipal Statistics, Inc.*

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Assessed Valuation and Parcels by Land Use

The table below sets forth the assessed valuation of the taxable property within the District by land use.

LODI UNIFIED SCHOOL DISTRICT
2021-22 Assessed Valuation and Parcels by Land Use

	2021-22 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural	$1,822,683,071	9.38%	3,833	6.98%	3,801	7.00%
Commercial	1,706,638,407	8.78	1,405	2.56	1,375	2.53
Vacant Commercial	34,037,807	0.18	81	0.15	77	0.14
Industrial	1,438,393,602	7.40	599	1.09	599	1.10
Vacant Industrial	38,970,440	0.20	136	0.25	130	0.24
Recreational	50,955,022	0.26	70	0.13	70	0.13
Government/Social/Institutional	84,160,385	0.43	255	0.46	146	0.27
Miscellaneous	20,568,093	0.11	186	0.34	182	0.34
Subtotal Non-Residential	$5,196,406,827	26.74%	6,565	11.95%	6,380	11.75%
Residential:						
Single Family Residence	$11,274,117,859	58.01%	38,350	69.79%	38,312	70.56%
Condominium/Townhouse	184,936,792	0.95	1,331	2.42	1,331	2.45
Rural Residential	1,194,889,594	6.15	2,830	5.15	2,830	5.21
Mobile Home	82,738,687	0.43	1,310	2.38	1,310	2.41
Mobile Home Park	81,506,981	0.42	36	0.07	36	0.07
2-4 Residential Units	546,960,661	2.81	2,329	4.24	2,327	4.29
5+ Residential Units/Apartments	621,799,365	3.20	307	0.56	302	0.56
Vacant Residential	253,051,210	1.30	1,889	3.44	1,470	2.71
Subtotal Residential	$14,240,001,149	73.26%	48,382	88.05%	47,918	88.25%
Total	$19,436,407,976	100.00%	54,947	100.00%	54,298	100.00%

[1] Local secured assessed valuation, excluding tax-exempt property.
Source: *California Municipal Statistics, Inc.*

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Assessed Valuation of Single Family Homes

The following table sets forth ranges of assessed valuations of single family homes in the District for fiscal year 2021-22, including the median and average assessed value per single family parcel.

LODI UNIFIED SCHOOL DISTRICT
Per Parcel 2021-22 Assessed Valuation of Single Family Homes

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	38,312	$11,274,117,859	$294,271	$276,446

2021-22 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	36	0.094%	0.094%	$ 593,353	0.005%	0.005%
$25,000 -$49,999	183	0.478	0.572	7,526,319	0.067	0.072
$50,000 - $74,999	906	2.365	2.936	58,625,888	0.520	0.592
$75,000 - $99,999	1,436	3.748	6.685	125,676,086	1.115	1.707
$100,000 - $124,999	1,794	4.683	11.367	202,846,403	1.799	3.506
$125,000 - $149,999	2,042	5.330	16.697	281,813,808	2.500	6.006
$150,000 - $174,999	2,288	5.972	22.669	372,512,057	3.304	9.310
$175,000 - $199,999	2,645	6.904	29.573	495,998,431	4.399	13.709
$200,000 - $224,999	2,574	6.719	36.292	546,425,702	4.847	18.556
$225,000 - $249,999	2,586	6.750	43.041	614,085,603	5.447	24.003
$250,000 - $274,999	2,560	6.682	49.723	672,744,275	5.967	29.970
$275,000 - $299,999	2,364	6.170	55.894	679,313,492	6.025	35.995
$300,000 - $324,999	2,272	5.930	61.824	709,644,264	6.294	42.290
$325,000 - $349,999	2,328	6.076	67.900	785,687,750	6.969	49.259
$350,000 - $374,999	2,177	5.682	73.583	788,528,421	6.994	56.253
$375,000 - $399,999	2,039	5.322	78.905	789,256,019	7.001	63.254
$400,000 - $424,999	1,698	4.432	83.337	700,157,303	6.210	69.464
$425,000 - $449,999	1,319	3.443	86.780	576,255,928	5.111	74.575
$450,000 - $474,999	1,149	2.999	89.779	530,662,263	4.707	79.282
$475,000 - $499,999	900	2.349	92.128	438,395,267	3.889	83.171
$500,000 and greater	3,016	7.872	100.000	1,897,369,227	16.829	100.000
	38,312	100.000%		$11,274,117,859	100.000%	

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

Largest Taxpayers

The table below sets forth the largest local secured taxpayers within the District in fiscal year 2021-22.

LODI UNIFIED SCHOOL DISTRICT
2021-22 Largest Total Secured Taxpayers

	Property Owner	Primary Land Use	Assessed Valuation	Total[(1)]
1.	Sutter Home Winery Inc.	Industrial	$ 222,441,276	1.14%
2.	Constellation Wines US	Industrial	199,610,409	1.03
3.	Excel Stockton LLC	Shopping Center	127,316,263	0.66
4.	Pacific Coast Producers	Industrial	114,217,558	0.59
5.	Wal Mart Real Estate Business Trust	Shopping Center	85,703,257	0.44
6.	Metro Water District of Southern California	Land Holdings/Water Rights	55,558,622	0.29
7.	California Physicians Service Corp.	Office Building	52,753,641	0.27
8.	Gallo Vineyards Inc.	Industrial	51,061,834	0.26
9.	BRE MG Waterfield Square LLC	Apartments	50,387,003	0.26
10.	The Palms @ Morada DST	Apartments	49,366,546	0.25
11.	Dean A. Spanos Trust	Undeveloped	46,151,290	0.24
12.	Stag CA Holdings LP	Industrial	44,600,000	0.23
13.	Reynolds Ranch SR Development Company LP	Apartments	44,076,954	0.23
14.	Stockton Pavilions LP	Apartments	43,861,938	0.23
15.	Big Box Property Owner E LLC	Industrial	39,535,304	0.20
16.	Oak Ridge Winery LLC	Industrial	39,367,133	0.20
17.	Ashley Lane LP	Undeveloped	36,199,832	0.19
18.	Calpurnia Associates LP	Apartments	34,902,822	0.18
19.	Goldstone Land Co. LLC	Industrial	34,597,541	0.18
20.	Target Corp.	Commercial	31,036,871	0.16
			$1,402,746,094	7.22%

(1) 2021-22 local secured assessed valuation: $19,436,407,976.
Source: *California Municipal Statistics, Inc.*

The top 20 taxpayers on the secured roll for 2021-22 account for 7.22% of the secured assessed value in the District which is $19,436,407,976. According to California Municipal Statistics, Inc., the largest secured taxpayer in the District for 2021-22 was Sutter Home Winery Inc., accounting for 1.14% of the total secured assessed value in the District. No other secured taxpayer accounted for more than 1.03% of the total secured assessed value in the District. The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner.

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Tax Rates

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 2017-18 through 2021-22.

TYPICAL TOTAL TAX RATES PER $100 ASSESSED VALUATION
FISCAL YEARS 2017-18 THROUGH 2021-22
Lodi Unified School District

City of Lodi - TRA 1-001

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0180	.0225	.0199	.0183	.0163
Lodi Unified School District	.0857	.0843	.0806	.0829	.1028
Total	$1.1037	$1.1068	$1.1005	$1.1012	1.1191

City of Stockton – TRA 3-461

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0180	.0225	.0199	.0183	.0163
Lodi Unified School District	.0857	.0843	.0806	.0829	.1028
Lodi Unified School District SFID No. 1	.0434	.0450	.0492	.0492	.0512
Total	$1.1471	$1.1518	$1.1497	$1.1540	1.1703

Unincorporated San Joaquin County – TRA 99-041

	2017-18	2018-19	2019-20	2020-21	2021-22
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
San Joaquin Delta Community College District	.0180	.0225	.0199	.0183	.0163
Lodi Unified School District	.0857	.0843	.0806	.0829	.1028
Total	$1.1037	$1.1068	$1.1005	$1.1012	1.1191

Source*: California Municipal Statistics, Inc.*

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The Teeter Plan

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

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

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

The Teeter Plan of the County is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors of the County receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors of the County orders discontinuance of its Teeter Plan, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency. In addition, if the delinquency rate for all *ad valorem* property taxes levied within the District exceeds 3%, the Board of Supervisors can terminate the Teeter Plan with respect to the District. In the event that the Teeter Plan were terminated with regard to the secured tax roll, the amount of the levy of *ad valorem* property taxes would depend upon the collection of *ad valorem* property taxes and 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.

The District is not aware of any petitions for the discontinuance of the Teeter Plan now pending in the County.

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Tax Levies and Delinquencies

The tables below summarize the annual secured tax levy and delinquencies within the District as of June 30 for fiscal years 2016-17 through 2020-21, the most recent data available, for 1% general fund apportionment levy and the general obligation debt service levy. The County has adopted the Teeter Plan. As a result, the District's receipt of property taxes on the secured roll is not subject to delinquencies so long as the Teeter Plan remains in effect.

LODI UNIFIED SCHOOL DISTRICT
Secured Tax Charges
1% General Fund Apportionment

Fiscal Year	Secured Tax Charge[1]	Amt. Del. June 30[2]	% Del June 30
2016-17	$37,573,670.08	$503,148.11	1.35%
2017-18	39,446,394.41	441,990.14	1.12
2018-19[3]			
2019-20	44,057,621.39	830,496.39	1.89
2020-21	46,736,820.84	741,887.78	1.59

(1) Represents 1% General Fund apportionment. Excludes secured supplemental property.
(2) San Joaquin County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied on the secured roll to the taxing entity, with the County retaining all penalties and interest.
(3) Not available.
Source: *California Municipal Statistics, Inc.*

LODI UNIFIED SCHOOL DISTRICT
Secured Tax Charges
General Obligation Bond Debt Service Levy

Fiscal Year	Secured Tax Charge[1]	Amt. Del. June 30[2]	% Del June 30
2016-17	$ 5,506,872.70	$ 55,275.08	1.00%
2017-18	5,506,872.70	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
2020-21	15,232,824.69	195,474.87	1.28

(1) District's general obligation bond debt service levy.
(2) San Joaquin County utilizes the Teeter Plan for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied on the secured roll to the taxing entity, with the County retaining all penalties and interest.
Source: *California Municipal Statistics, Inc.*

Direct and Overlapping Debt

Numerous local agencies that provide public services overlap the District's service area. These local agencies have outstanding debt in the form of general obligation, lease revenue and special assessment bonds. The table on the following page shows the District's estimated direct and overlapping bonded debt. The statement excludes self-supporting revenue bonds, tax allocation bonds and non-bonded capital lease obligations. The District has not reviewed this table and there can be no assurance as to the accuracy of the information contained in the table; inquiries concerning the scope and methodology of procedures carried out to compile the information presented should be directed to California Municipal Statistics, Inc.

The following table is a statement of the District's direct and estimated overlapping bonded debt as of May 1, 2022:

LODI UNIFIED SCHOOL DISTRICT
Direct and Overlapping Bonded Indebtedness

2021-22 Assessed Valuation: $19,929,958,456

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/22
San Joaquin Delta Community College District	20.937%	$ 39,462,058
Lodi Unified School District	**100.000**	**302,200,000**[1]
Lodi Unified School District School Facilities Improvement District No. 1	**100.000**	**43,095,000**
Reclamation District No. 2042, Community Facilities District No. 2001-1	100.000	4,076,132
City of Stockton Community Facilities District No. 2001-1	100.000	10,244,331
City of Stockton Community Facilities District No. 2005-1	100.000	9,245,000
City of Stockton Community Facilities District No. 2006-3	100.000	2,934,000
City of Stockton Community Facilities District No. 2006-3	100.000	4,463,939
City of Stockton Community Facilities District No. 2018-2	100.000	13,505,000
City of Stockton 1915 Act Bonds (Estimate)	100.000	15,019,593
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$444,245,053
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
San Joaquin County Certificates of Participation	21.939%	$13,251,156
Lodi Unified School District Certificates of Participation	**100.000**	**10,065,000**
City of Lodi Certificates of Participation	100.000	25,355,000
City of Stockton Pension Obligation Bonds	25.673	13,628,168
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$62,299,324
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$11,389,252
COMBINED TOTAL DEBT		$517,933,629 [2]

Ratios to 2021-22 Assessed Valuation:
Direct Debt ($345,295,000)…………………………………..1.73%
Total Overlapping Tax and Assessment Debt………………... 2.23%
Combined Direct Debt ($284,475,000)………………………1.78%
Combined Total Debt………………………………………… 2.60%

Ratio to Redevelopment Incremental Valuation ($271,946,491):
Total Overlapping Tax Increment Debt 4.19%

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(1) Includes the Refunded Bonds to be refunded and excludes the Bonds to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: *California Municipal Statistics, Inc.*

Charter Schools

The State Legislature enacted the Charter Schools Act of 1992 (Education Code Sections 47600-47663) to permit teachers, parents, students, and community members to establish schools that would operate in accordance with its charter, from most state and district regulations. State education standards apply, and charter schools are required to use the same student assessment instruments. Charter schools are exempt from state and local education rules and regulations, except as specified in the legislation. Charter schools may be approved by school districts, county boards of education, and the State Board of Education.

The District has certain fiscal oversight and other responsibilities with regard to charter schools it approves to operate within its boundaries. However, charter schools receive funding directly from the

State, and such funding is not reported in the District's audited financial statements. The District has approved Joe Serna Charter School to operate within its borders.

In addition, several other charter schools with some overlapping grade levels operate within District boundaries, including Aspire Benjamin Holt College Preparatory Academy, Aspire Benjamin Holt Middle School, Aspire River Oaks Charter School, Aspire Vincent Shalvey Academy, and Rio Valley Charter School. The District does not oversee these charter schools, but their programs are open to enrollment by District students. Approximately 2,854 students residing within the District boundaries attend these five charter schools.

The following table shows enrollment figures for the District-approved Charter Schools for the most recent five fiscal years.

DISTRICT-APPROVED CHARTER SCHOOLS ENROLLMENT
Fiscal Years 2017-18 through 2021-22
Lodi Unified School District

Fiscal Year	Enrollment at District-Approved Charter Schools
2017-18	2,376
2018-19	2,713
2019-20	2,774
2020-21	2,842
2021-22	2,854

Source: California Department of Education DataQuest..

The District does not have enrollment information regarding County- or State-approved charter schools or any other charter schools located within its boundaries, and can make no representations regarding how many District students will transfer to charter schools in the future or back to the District from charter schools, and the corresponding financial impact on the District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's 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 and interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem tax approved by the voters pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County on all taxable property within the District in an amount sufficient for the timely payment of principal and interest on the Bonds. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS" herein.

State Funding of Education

On June 27, 2013, the State adopted a new method for funding school districts commonly known as the "Local Control Funding Formula." The Local Control Funding Formula ("LCFF") was implemented in stages, beginning in fiscal year 2013-14 with full implementation in fiscal year 2018-19. Prior to adoption of the LCFF, the State used a revenue limit system.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as a part of the 2013-14 State Budget (defined below) enacted the LCFF beginning in fiscal year 2013-14, which replaced the revenue limit funding system and many categorical programs. The LCFF distributes resources to schools through a guaranteed base funding grant (the "Base Grant") per unit of ADA. The average Base Grant is $7,643 per unit of ADA, which is $2,375 more than the average revenue limit. A Base Grant is assigned to each of four grade spans. Additional supplemental funding is made available based on the proportion of English language learners, low-income students and foster youth.

For fiscal year 2021-22, the LCFF provided to school districts and charter schools a Target Base Grant for each Local Education Agency ("LEA") equivalent to (a) $8,935 per ADA for kindergarten through grade 3; (b) $8,215 per ADA for grades 4 through 6; (c) $8,458 per ADA for grades 7 and 8; and (d) $10,057 per ADA for grades 9 through 12.

Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants have been adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. With full implementation of the LCFF, the provision of cost-of-living-adjustments is now subject to appropriation for such adjustment in the annual State budget. For fiscal year 2020-21, no cost-of-living-adjustment ("COLA") was 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. For fiscal year 2021-22, a 5.07% COLA was included which was comprised in part of a back-fill of the COLA for fiscal year 2020-21. See "State Budget Measures –2021-22 State Budget" herein. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Unless collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

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.

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The following table sets forth the historical ADA (at P-2) and enrollment (CBEDS Actual) for fiscal years 2009-10 through 2020-21.

LODI UNIFIED SCHOOL DISTRICT
Historical ADA and Enrollment
Fiscal Years 2009-10 through 2020-21

Fiscal Year	ADA	Enrollment
2009-10	27,623	29,363
2010-11	27,203	28,727
2011-12	26,805	28,338
2012-13	26,615	28,141
2013-14	26,786	28,149
2014-15	26,652	28,254
2015-16	26,818	28,248
2016-17	27,032	28,499
2017-18	27,074	28,656
2018-19	27,056	28,581
2019-20[1]	26,573	28,268
2020-21[2]	26,728	27,534

[1] ADA for 2019-20 represents "hold harmless" figures in accordance with SB 117.
[2] ADA for 2020-21 represents P-2 ADA (unaudited actuals).
Source*: The District.*

The following table sets forth the ADA, enrollment and the percentage of EL/LI enrollment for fiscal year 2021-22 and projections for fiscal years 2022-23 and 2023-24.

LODI UNIFIED SCHOOL DISTRICT
ADA, English Language/Low Income Enrollment
Fiscal Years 2021-22 through 2023-24

	ADA					Enrollment	
Fiscal Year	TK-3	4-6	7-8	9-12	Total ADA	Total Enrollment	% of EL/LI Enrollment
2021-22(1)	7,986	6,110	4,230	8,405	26,731	27,512	71.23%
2022-23(2)	7,258	5,948	3,904	8,497	25,607	26,481	71.70
2023-24(2)	6,994	5,809	3,983	8,369	25,155	26,023	71.02

[1] Budgeted.
[2] Projected.
Source: *The District*.

Due to the COVID-19 pandemic and related State budget-implementing legislation, California school districts, other than certain charter school districts, were held harmless against any loss of ADA for purposes of calculating apportionment in the 2020-21 fiscal year, with ADA for purposes of calculation of state funding based on ADA for fiscal year 2019-20. Additionally, due to State-wide declining enrollment trends, additional hold harmless measures have been instituted to shelter school districts from large annual revenue losses. For fiscal year 2021-22, ADA for funding purposes is based on 2019-20 ADA. See, "– State Budget Measures -2021-22 State Budget" for a description of such measures and proposals for future measures.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the Legislature to school districts.

Certain schools districts, known as "basic aid" districts, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District does not currently qualify as a basic aid district and does not expect to in future fiscal years.

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding, including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such district on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school district can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs, covering a three-year period are required to be adopted annually. The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts meet the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts achieve the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

Revenue Sources

The District categorizes its general fund revenues into four sources; LCFF revenues, federal revenues, other state revenues and other local revenues. Each of these revenue sources is briefly described below.

LCFF Sources. State funding under the LCFF consists of Base Grants and supplemental grants as described above. This category also includes local property taxes. See "- State Funding of Education – Local Control Funding Formula" above.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Every Child Succeeds.

Other State Revenues. The District receives some other State revenues. These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Economic Impact Aid, School Improvement Program, instructional materials, and various block grants.

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.

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

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The percentage of total general fund revenue for each source of revenue is shown in the following table for fiscal years 2017-18 through 2021-22.

LODI UNIFIED SCHOOL DISTRICT
Percentage of Revenue by Source

Revenue Source	2017-18	2018-19	2019-20	2020-21	2021-22[(1)]
LCFF sources	78.13%	76.26%	78.99%	69.18%	58.70%
Federal revenues	6.24	5.66	4.85	12.84	26.63
Other State revenues	13.75	16.58	14.56	17.05	14.39
Other local revenues	1.14	1.50	1.60	0.93	0.28

(1) Based on fiscal year 2021-22 second interim budget report.
Source: *The District*.

Developer Fees

The District receives developer fees per square foot pursuant to Education Code Section 17620 which must be used to fund construction or reconstruction of school facilities. Current developer fees are \$3.48 per square foot for residential housing and \$0.56 per square foot for commercial or industrial development. The District collected \$3,116,207 in developer fees in fiscal year 2017-18, \$2,957,124 in fiscal year 2018-19, \$3,639,006 in fiscal year 2019-20, \$6,765,189 in fiscal year 2020-21 and has budgeted developer fee collections of \$6,555,736 in fiscal year 2021-22.

COVID-19 Outbreak and its Economic Impact

In late 2019, an outbreak of COVID-19, a respiratory virus, occurred in China, and since that time has spread 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 as well as operating restrictions upon many businesses.

Federal Response. On March 13, 2020, responding to the evolving COVID-19 situation, then President Trump declared a national emergency, making available more than \$50 billion in federal resources to combat the spread of the virus. Additionally, in March, 2020, the Federal Reserve Bank took action to lower the federal funds rate and provide certain emergency credit and liquidity facilities to financial institutions. Contemporaneously, Congress enacted and the President signed into law the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”) to provide relief and stimulus to American businesses and individuals impacted by COVID-19. The CARES act also 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.

In order to provide extensions to certain benefits previously provided under the CARES Act, as well as address ongoing economic impacts of the COVID-19 pandemic, in December, 2020, the federal government enacted the Coronavirus Response and Relief Supplemental Appropriations Act (“CRRSA”) which included \$900 billion of coronavirus emergency response and relief including \$54.3 billion for K-12 schools and \$22.7 billion for higher education

In March, 2021, President Biden signed a \$1.9 trillion stimulus package (the “American Rescue Package”) into law, authorizing a third round of one-time stimulus payments for qualifying Americans, extending additional unemployment benefits, and providing \$123 billion in new, flexible aid to school districts.

State Response. In response to the outbreak of COVID-19 in the State, on March 4, 2020, Governor Gavin Newsom declared a State of Emergency (the "March 4 Emergency Declaration"). The March 4 Emergency 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, in reaction to the initial spread of Covid-19 within the State, Governor Newsom issued Executive Order N-33-20, a mandatory statewide shelter-in-place order (the "Order") applicable to all non-essential services. In September, 2020, the Governor replaced the Order with the "Blueprint for a Safer Economy" ("Blueprint") which categorized counties according to a color-coded risk assessment related to certain metrics of disease transmission. As such metrics increased or decreased within a county, such county would move along the risk—assessment levels which corresponded with regulations on economic and social activity. The Blueprint system was terminated on June 15, 2021 following a reduction in case positivity rates and hospitalizations. Face coverings are still required in certain settings, such as on public transit, indoors in schools and childcare settings, and in healthcare settings. Additionally, Californians are required to follow existing guidance for K-12 schools, childcare programs, and other supervised youth activities.

As a result of the various regulations imposed in order to slow the spread of COVID-19 since its outbreak, economic activity within the State, the County and the community around and within the District have suffered episodes of recession and/or depression. Generally, a majority of the State's general fund revenue is derived from personal income tax receipts. However, the 2021-22 State Budget (defined below) indicates that any decline in State revenues as a result of the COVID-19 pandemic was not as severe as originally projected and current projections for the 2022-23 State budget show revenues higher than projected at the enactment of the 2021-22 State Budget. See "– State Budget Measures" below for additional information regarding the impact of COVID-19 on the State budget.

Effect of COVID-19 Response on California School Districts

To assist school districts respond to the spread of COVID-19 in its early days, on March 13, 2020, Governor Newsom issued Executive Order N-26-20, providing that school districts that initiate a school closure to address COVID-19 would continue to receive state funding to support all of 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 provided that statutory mandated maintenance of schools for a minimum of 175 days was waived for school districts that initiated a school closure to address COVID-19.

To address the impacts of school closures and the COVID-19 response, on March 17, 2020, the California legislature adopted and the Governor signed Senate Bill 89 ("SB 89") and Senate Bill 117 ("SB 117"), which bills took immediate effect. SB 89 amended the Budget Act of 2019 by appropriating $500,000,000 from the State General Fund for any purpose related to the Emergency Declaration. SB 117 addressed economic impacts to school districts directly. 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, would be reported for apportionment purposes. SB 117 also held harmless school districts not meeting minimum instructional day and minute requirements, in order to prevent a loss of funding related to school closures 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 ADA that the grantee would have received had it been able to operate but for COVID-19. The District received approximately $478,185 under SB 117 which the District used for costs associated with maintaining nutrition services, cleaning and disinfecting facilities, personal protective equipment, and materials necessary to provide students with opportunities for distance learning.

In preparation for the 2020-21 school year, in July, 2020, the CDPH announced guidance for schools and school-based programs including all public, charter and private schools with respect to re-opening for the 2020-21 school year. Such guidance was revised in January, 2021, to align school re-opening criteria with a County's categorization under the Blueprint.

The District, upon consultation with the County Department of Public Health and County Superintendent of Schools, determined to close its school campuses effective March 17, 2020 through the end of the 2019-20 school year and implemented a distance learning program. The District began its 2020-21 school year with a remote instructional model and later offered in-person instruction. The District began the 2021-22 school year offering full time in-person learning at all District sites.

On March 5, 2021, Governor Newsom signed Assembly Bill 86 which provided $2.0 billion for In-Person Instruction Grants ("Re-Opening Grants") and $4.6 billion for Learning Recovery Grants ("Recovery Grants") to school districts, county offices of education and charter schools to incentivize in-person instruction. The Re-Opening Grants were to be used for any purpose consistent with in-person instruction and were available to any school district providing in-person instruction by May 15, 2021. Recovery Grants were provided to school districts that implemented a learning recovery program with 85% of the Recovery Grant to be spent for in-person instruction and 15% to be spent for distance learning or in-person preparation. The District received $10,942,257 in Re-Opening Grants and $11,089,853 in Recovery Grants.

The District received $31,678,698 under the CARES Act (ESSER I), and expects to receive $35,509,685 under CRRSA (ESSER II) and $76,914,278 under the American Rescue Package (ESSER III). The District has applied COVID-19 funding, and intends to apply any remaining COVID-19 funding to implement strategies for continuous and safe in-person learning, to address the academic impact of lost instructional time, and maintain nutrition services.

Despite several vaccines with respect to COVID-19 approved for public use, the spread of COVID-19 is ongoing. The District cannot predict the extent or duration of the outbreak of COVID-19 or what impact it may have on District general fund revenues. However, the Bonds are general obligations of the District payable solely from *ad valorem* property taxes and are not payable from the general fund of the District. See "SECURITY FOR THE BONDS" herein.

Budget Procedures

State Budgeting Requirements. 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. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. In 2014, Assembly Bill 2585 was enacted, which repealed provisions authorizing schools districts to use a dual budget adoption cycle. Instead, all school districts must be on a single budget cycle. The single budget is only readopted if it is disapproved by the county office of education, or as needed. The District is on a single budget cycle and adopts its budget on or before July 1.

The county superintendent will 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, will determine if the budget allows the district to meet its current obligations and will determine if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments. On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by August 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than August 20, the county superintendent must notify the Superintendent of Public Instruction of all school districts whose budget has been disapproved.

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

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

The District has not received a qualified or negative certification on any interim reports in the last five fiscal years.

The District's general fund adopted budgets for fiscal years 2017-18 through 2021-22, audited actuals for the fiscal years 2017-18 through 2020-21 and second interim results for fiscal year 2021-22 are set forth on the following page.

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LODI UNIFIED SCHOOL DISTRICT
GENERAL FUND BUDGETING

	2017-18 Budget[1]	2017-18 Audit[1]	2018-19 Budget[1]	2018-19 Audit[1]	2019-20 Budget[1]	2019-20 Audit[1]	2020-21 Budget[1]	2020-21 Audit[1]	2021-22 Budget[2]	2021-22 Second Interim Report[3]
REVENUES										
State Apportionments	$216,868,161	$214,866,018	$235,140,865	$231,292,833	$240,981,481	$236,146,257	$209,098,696	$229,705,458	$246,012,138	$250,151,699
Local Sources	45,107,052	47,140,703	46,753,441	50,730,671	48,789,606	52,618,941	51,650,542	55,903,387	54,283,157	57,562,951
Total LCFF	261,975,213	262,006,721	281,894,306	282,023,504	289,771,087	288,765,198	260,749,238	285,608,845	300,295,295	307,714,650
Federal revenue	17,676,187	20,917,862	17,562,562	19,333,613	17,809,084	17,088,671	25,149,959	52,104,459	20,403,975	139,582,893
Other state revenue	38,367,767	48,579,268	40,712,146	62,911,652	40,624,867	53,849,112	41,630,267	71,309,042	46,788,569	75,430,921
Other local revenue	602,933	3,830,555	889,282	5,550,663	2,143,744	5,878,915	998,550	3,841,652	693,153	1,472,961
Total revenues	318,622,100	335,334,406	341,058,296	369,819,432	350,348,782	365,581,896	328,528,014	412,863,998	368,180,992	524,201,425
EXPENDITURES										
Certificated Salaries	134,092,754	138,303,325	140,833,762	143,677,117	145,315,555	143,184,232	145,723,987	162,192,395	149,250,341	154,981,106
Classified Salaries:	44,933,718	47,255,304	47,932,463	49,121,549	51,363,821	49,796,182	53,160,697	52,910,378	52,562,708	54,417,731
Employee Benefits	77,541,281	72,406,576	86,297,974	92,324,207	90,868,634	85,441,144	88,804,023	82,266,624	92,579,105	95,763,454
Books and Supplies	18,279,691	14,797,599	20,998,898	16,010,029	16,176,749	16,917,924	16,779,594	36,287,573	14,609,718	100,026,451
Services and Other Operating Expenses	32,092,495	37,848,449	38,520,488	38,568,391	41,153,170	37,875,335	44,035,885	46,888,123	46,385,388	110,446,572
Capital Outlay	1,155,788	2,925,680	1,238,479	5,199,454	4,181,670	3,932,098	1,489,874	2,925,519	2,294,656	5,883,588
Other Outgo	571,885	554,719	530,586	395,486	355,214	575,382	540,026	549,582	2,177,006	1,025,317
Indirect costs	(1,292,831)	(1,136,864)	(1,278,847)	(1,224,280)	(1,277,161)	(1,132,814)	(1,199,338)	(1,074,498)	(1,387,283)	(1,580,913)
Debt Service	1,057,398	270,092	280,016	272,974	419,209	309,143	513,333	55,626	--	--
Total expenditures	308,432,179	313,224,880	335,353,819	344,344,927	348,556,861	336,898,626	349,848,081	383,001,322	358,471,639	520,963,306
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,189,921	22,109,526	5,704,477	25,474,505	1,791,921	28,683,270	(21,320,067)	29,862,676	9,709,353	3,238,119
OTHER FINANCING SOURCES (USES)										
Proceeds from capital leases	--	--	--	--	--	162,862	--	--	--	--
Interfund transfers out	(2,030,043)	(3,118,634)[4]	(1,143,577)	(23,954,356)[5]	(2,513,758)	(5,481,075)[6]	(1,203,468)	(17,556,047)[7]	(487,404)	(479,857)
Interfund transfers in	--	--	--	--	--	7,500,000	--	--	--	14,196
Other sources	--	--	--	--	--	--	--	--	330,000	330,000
Total other financing sources/uses	(2,030,043)	(3,118,634)	(1,143,577)	(23,954,356)	(2,513,758)	2,181,787	(1,203,468)	(17,556,047)	(157,404)	(135,661)
Net increase (decrease) in fund balance	8,159,878	18,990,892	4,560,900	1,520,149	(721,837)	30,865,057	(22,523,535)	12,306,629	9,551,949	3,102,458
Fund balance – beginning	45,016,864	45,016,864	64,007,756	64,007,756	65,527,905	65,527,905	96,392,962	96,392,962	108,699,591	108,699,591
Fund balance – ending	$53,176,742	$64,007,756	$68,568,656	$65,527,905	$64,806,068	$96,392,962	$73,869,427	$108,699,591	$118,251,540	$111,802,049

[1] From the audited financial statement of the District for such fiscal year.
[2] From the adopted budget of the District for fiscal year 2021-22.
[3] From the second interim financial report of the District for fiscal year 2021-22.
[4] Includes a transfer of $1,300,000 to the Debt Service Fund.
[5] Includes a transfer of $6,150,00 to the Debt Service Fund and $17,000,000 to the Special Reserve Fund for Capital Outlay Projects to fund safety and security upgrades.
[6] Includes a transfer of $5,000,000 to the Self-insurance Fund to pre-fund worker's compensation.
[7] Includes a transfer of $17,080,000 to the Special Reserve Fund for Capital Outlay Projects to fund District construction projects.

Comparative Financial Statements

The District's general fund finances the legally authorized activities of the District for which restricted funds are not provided. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. 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 at the Office of the Superintendent of the District, 1305 E. Vine Street, Lodi, California, 95240. See APPENDIX B hereto for the Audited Financial Statements for fiscal year 2020-21 of the District.

The following table reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2016-17 to fiscal year 2020-21:

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LODI UNIFIED SCHOOL DISTRICT
GENERAL FUND
Statement of Revenues, Expenditures and Change in Fund Balances for Fiscal Years 2016-17 through 2020-21

	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20	Audited 2020-21
REVENUES					
State apportionment	$207,746,848	$214,866,018	$231,292,833	$236,146,257	$229,705,458
Local sources	46,805,679	47,140,703	50,730,671	52,618,941	55,903,387
Local control funding formula	254,552,527	262,006,721	282,023,504	288,765,198	285,608,845
Federal revenues	15,571,734	20,917,862	19,333,613	17,088,671	52,104,459
Other state revenues	45,253,732	48,579,268	62,911,652	53,849,112	71,309,042
Other local revenues	2,878,708	3,830,555	5,550,663	5,878,915	3,841,652
Total Revenues	318,256,701	335,334,406	369,819,432	365,581,896	412,863,998
EXPENDITURES					
Current:					
Instruction	193,230,425	204,583,004	223,006,819	218,180,752	238,557,222
Instruction-related services:					
Supervision of instructor	7,389,377	8,113,937	8,397,701	9,046,365	8,739,845
Administrative Unit of multidistrict SELPA	1,748,804	1,648,502	2,274,042	2,517,807	2,941,222
Instructional library, media and technology	1,873,090	2,206,954	2,195,953	2,218,131	2,351,903
School site administration	17,838,535	18,815,436	21,130,111	20,714,707	22,424,343
Pupil services	5,705,846	6,328,637	5,814,426	4,933,672	5,059,873
Pupil transportation					
Food services	31,412	1,199	5,154	195,828	687,708
Other pupil services	18,900,125	20,062,349	23,726,569	22,696,849	23,484,435
Ancillary services	1,338,674	1,691,695	1,504,690	1,923,151	1,771,059
Enterprise activities	139,587	144,743	158,925	156,574	179,700
General administration:					
Data processing services	6,036,628	6,112,096	6,322,303	6,449,471	16,318,014
Other general administration	12,213,168	11,892,730	12,914,055	13,068,289	16,874,974
Plant services	27,775,936	29,918,597	32,950,946	30,446,757	42,105,279
Debt service:					
Principal	4,597,903	219,848	248,238	287,709	47,546
Interest and other charges	185,404	50,244	24,736	21,434	8,080
Capital outlay	539,146	880,190	3,274,773	3,465,748	900,537
Transfer to other agencies[1]	629,438	554,719	395,486	575,382	549,582
Total expenditures	$300,173,498	$313,224,880	$344,344,927	$336,898,626	$383,001,322
Excess (deficiency) of revenues over expenditures	18,083,203	22,109,526	25,474,505	28,683,270	29,862,676
OTHER FINANCING SOURCES (USES)					
Interfund transfers out	(6,388,080)[3]	(3,118,634)[4]	(23,954,356)[5]	(5,481,075)[6]	(17,556,047)[8]
Proceeds from capital lease[2]	2,327,837	--	--	162,862	--
Interfund transfers in	--	--	--	7,500,000[7]	--
Total other financing sources and uses	($4,060,243)	($3,118,634)	($23,954,356)	$2,181,787	(17,556,047)
Increase (decrease) in fund balances	14,022,960	18,990,892	1,520,149	30,865,057	12,306,629
Fund balance – beginning	30,993,904	45,016,864	64,007,756	65,527,905	96,392,962
Fund balance – ending	$45,016,864	$64,007,756	$65,527,905	$96,392,962	$108,699,591

(1) Consists of payments of tuition for students placed in State Special Schools and other tuition, excess cost, and/or deficit payments to County Offices.
(2) Represents equipment acquired by a capital lease.
(3) Includes a transfer of $5,205,162 to the Debt Service Fund and $1,071,566 to the Special Reserve for Capital Outlay Projects in order to pay debt service.
(4) Includes a transfer of $1,300,000 to the Debt Service Fund.
(5) Includes a transfer of $6,150,00 to the Debt Service Fund and $17,000,000 to the Special Reserve Fund for Capital Outlay Projects to fund safety and security upgrades.
(6) Includes a transfer of $5,000,000 to the Self-insurance Fund to pre-fund worker's compensation.
(7) Includes a transfer from the Special Reserve Fund for Capital Outlay to fund the operational reserve for capital outlay expenditures.
(8) Includes a transfer of $17,080,000 to the Special Reserve Fund for Capital Outlay Projects to fund District construction projects.
Source: *The District.*

Accounting Practices

The accounting policies 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. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

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.

2021-22 State Budget. Governor Newsom signed legislation which enacted the budget for the State for fiscal year 2021-22 (the "2021-22 State Budget") on July 12, 2021. The 2021-22 State Budget projected approximately $175.3 billion in general fund revenues with a prior year balance of $28.2 billion for total resources of $203.6 billion, and $196.4 billion in expenditures for fiscal year 2021-22. For fiscal year 2020-21, the 2021-22 State Budget included $194.3 billion in resources (an increase of over $54.6 billion from the 2020-21 State Budget) and $166 billion in expenditures. The 2021-22 State Budget projected $25.2 billion in reserves including $15.8 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies, $900 million in the Safety Net Reserve, $4.5 billion in the PSSSA, and an estimated $4 billion in the State's operating reserve. The $4.5 billion balance in the PSSSA in fiscal year 2021-22 was projected to trigger the 10% cap on school district reserves beginning in fiscal year 2022-23. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 2" herein for more information regarding school district reserves.

The 2021-22 State Budget prioritized one-time spending over ongoing spending, allocating 85% of discretionary funds to one-time spending. The 2021-22 State Budget provided relief to families and small businesses by expanding the Golden State Stimulus to provide $600 tax refunds to middle-class families with an adjusted gross income of $75,000 or less as well as $500 to qualified families and $1.5 billion to the Small Business COVID-19 Relief Grant Program. In order to increase equity, access and affordability to public higher education, the 2021-22 State Budget increased the base budget for both the University of California and California State University by 5% and funds $500 base deposits to college savings accounts for all public school students from low-income families, English learners, and foster youth. To combat homelessness, the 2021-22 State Budget provided approximately $12 billion over two years, including $5.8 billion for Project Homekey to expand the portfolio of housing.

The 2021-22 State Budget also addressed environmental matters facing California. The 2021-22 State Budget authorized $958 million to advance wildfire prevention and forest resilience investments and funded an additional 30 fire crews. $5.1 billion was included over four years for water resilience and drought preparedness and response to support safe drinking water, wastewater and water conveyance infrastructure and other water programs. The 2021-22 State Budget commits $2.7 billion in fiscal year 2021-22 and $3.9 billion over three years for zero-emission vehicle and infrastructure investments.

With respect to K-12 education, the 2021-22 State Budget included total funding of $123.9 billion ($65.5 billion general fund and $58.4 billion other funds) for all K-12 education programs. The 2021-22 State Budget estimated Proposition 98 funds of $79.3 billion in fiscal year 2019-20, $93.4 billion in fiscal year 2020-21 and $93.7 billion in fiscal year 2021-22. For K-12 schools, that resulted in Proposition 98 per pupil spending of $13,976 in 2021-22, a $3,322 increase over the 2020-21 per pupil spending levels.

Additionally, in the same period, per pupil spending from all sources increased to $21,555. As a result of such increased funding, all prior year K-12 deferrals were eliminated in fiscal year 2021-22.

The 2021-22 State Budget included a compounded LCFF COLA of 4.05%, representing a back-filled fiscal year 2020-21 COLA of 2.31% and a fiscal year 2021-22 COLA of 1.70%. Also included was $520 million to provide a 1.00% increase in LCFF base funding which resulted in an increase in LCFF funding of 5.07% over 2020-21 levels. In order to increase the number of adults providing direct services to students, an on-going increase of $1.1 billion to the LCFF concentration grant, increasing the concentration grant from 50% to 65% of the LCFF base grant, was included, as well.

Additional significant provisions of the 2021-22 State Budget relating to K-12 education include the following:

- Universal Transitional Kinder - Establishment of universal transitional kindergarten, phased-in over five years, with full implementation by 2025-26 and $200 million in one-time Proposition 98 funds for planning and implementation grants and $100 million one-time Proposition 98 funds to train and increase the number of early childhood educators.

- Expanded Community School Model - $3 billion in Proposition 98 general funds to expand the community school model in communities with a high level of poverty to provide integrated health, mental health and social services alongside high-quality, supportive education.

- A-G Completion Improvement Grant Program - $547.5 million in Proposition 98 funds for the A-G Completion Improvement Grant Program, which will fund high schools to increase the number of students, particularly those eligible for free and/or reduced price meals, English learners, and foster youth.

- Expanded Learning Time - $1.8 billion in Proposition 98 funds for expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on the school districts with the highest concentrations of low-income students, English language learners, and youth in foster care.

- Educator Retention and Training - $1.5 billion in Proposition 98 funds for the Educator Effectiveness Block Grant and $250 million in Proposition 98 funds to provide incentive grants to attract and retain National Board Certified teachers to teach in high poverty schools, serve as mentors for other instructional staff, and support teachers in pursuing National Board certification.

- Workforce Preparation - $500 million to support 25,000 grants for teacher credential candidates who commit to teach at a priority school, in a high-need subject matter area, for four years and $350 million in Proposition 98 funds to support teacher preparation residencies and other teacher credentialing programs.

- Universal School Nutrition - $54 million to reimburse all meals served to students beginning in the 2022-23 school year, regardless of income eligibility, under the federal universal meals provision, at an estimated cost of $650 million in Proposition 98 funds annually and $150 million in one-time Proposition 98 funds for school districts to upgrade kitchen infrastructure and equipment and training to food service employees.

- Disabled Students - $450 million in one-time Proposition 98 general funds to provide recovery supports for students with disabilities.

- Increased Special Education Funding - $396.9 million in Proposition 98 funds to increase the base rate for special education funding and Early Intervention - $186.1 million ongoing Proposition 98 funds to provide a 4.05% COLA for special education funding.

- $260 million in ongoing Proposition 98 general funds to support early intervention services for preschool-aged children.

Proposed 2022-23 Budget. Governor Newsom announced his proposal for the State's fiscal year 2022-23 budget (the "2022-23 Proposed Budget") on January 10, 2022 projecting a surplus of $45.7 billion to be applied, including $20.6 billion for discretionary purposes, $16.1 billion for Proposition 98 and $9 billion for reserves and supplemental pension payments. For fiscal year 2022-23, the 2022-23 Proposed Budget includes $195.7 billion in revenues and transfers combined with a prior year balance of $23.6 billion for total resources of approximately $219.4 billion, with expenditures of $213 billion. For fiscal year 2021-22, the 2022-23 Proposed Budget increases total resources to approximately $233.6 billion and expenditures to $210 billion. The 2022-23 Proposed Budget allocates 86% of the discretionary surplus to one-time investments. $34.6 billion is allocated to reserves as follows: $20.9 billion in the BSA for fiscal emergencies; $9.7 billion in the PSSSA; $900 million in the Safety Net Reserve; and $3.1 billion in the state's operating reserve. The BSA will reach 10% of general fund revenues, its constitutional maximum, requiring $2.4 billion to be dedicated for infrastructure investments in 2022-23. Additionally, $3.9 billion in additional supplemental pension payments are intended to be made in fiscal year 2022-23.

With regards to K-12 education, the 2022-23 Proposed Budget includes total funding of $119 billion ($70.5 billion general fund and $48.5 billion from other sources). The 2022-23 Proposed Budget proposes the highest per pupil funding ever of $15,261 from Proposition 98 general funds ($20,855 from all sources). The Proposition 98 guarantee reaches $102 billion in fiscal year 2022-23 and is revised upwards for fiscal year 2020-21 to $95.9 billion and to $99.1 for fiscal year 2021-22. LCFF funding includes a COLA of 5.33%, the highest COLA in many decades.

Currently, LCFF apportionments are calculated based upon the greater of a school district's prior-year or current-year ADA. To address the growing impact of declining enrollment on school districts, the 2022-23 Proposed Budget amends the LCFF to consider the greater of a school district's current year, prior year, or the average of three prior years' ADA in calculating LCFF apportionment funding.

The 2022-23 Proposed Budget includes 2020-21, 2021-22, and 2022-23 payments of $3.1 billion, $3.6 billion, and $3.1 billion, respectively, into the PSSSA, for a balance of more than $9.7 billion at the end of 2022-23. Such balance will trigger the 10% cap on school district reserves in fiscal year 2020-21. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES - Proposition 2" for more information regarding the PSSSA and school district reserve caps.

Significant provisions of the 2022-23 Proposed Budget relating to K-12 education include:

- $639.2 million general funds to expand eligibility for transitional kindergarten to all children turning five-years-old between September 2 and February 2, beginning in the 2022-23 school year.

- $197.8 million Proposition 98 general funds and $110.6 million general funds to increase State Preschool Program adjustment factors for students with disabilities and dual language learners.

- $500 million Proposition 98 general funds to support the Inclusive Early Education Expansion Program, which funds infrastructure necessary to support general education and special education students in inclusive classrooms.

- Approximately $712 million for various early literacy support programs.

- $54.4 million to support efforts to enhance schools' ability to hire qualified teachers and substitutes.

- $3.4 billion Proposition 98 general funds for the Expanded Learning Opportunities Program and $937 million Proposition 98 general funds to support Expanded Learning Opportunities Program infrastructure, with a focus on integrating arts and music programming into the enrichment options for students.

- $1.5 billion Proposition 98 general funds to support the development of pathway programs focused on technology (including computer science, green technology, and engineering), health care, education (including early education), and climate-related fields.

- $500 million Proposition 98 general funds to strengthen and expand student access and participation in dual enrollment opportunities that are also coupled with student advising and support services.

- $1.5 billion Proposition 98 general funds to support school transportation programs with a focus on greening school bus fleet.

- $596 million Proposition 98 general funds to fund universal access to subsidized school meals.

- $450 million Proposition 98 general funds to upgrade school kitchen infrastructure and equipment to incorporate more fresh, minimally processed California-grown foods in school meals.

- Approximately $1.4 billion Proposition 51 bond funds to support school construction projects and $1.3 billion general funds in 2022-23 and $925 million general funds in 2023-24 to support new construction and modernization projects through the School Facility Program.

May Revisions to Proposed 2022-23 Budget On or before May 15, 2022, the Governor is required to provide an updated proposal for the budget for the State for fiscal year 2022-23 (the "2022-23 May Revise") based upon the most recent economic forecasts. The District expects to include a summary of relevant provisions of the May Revise in the Official Statement for the Bonds.

Future Actions. 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, in the future, take further measures which would, in turn, adversely affect the District. Further State actions taken to address any budgetary difficulties could have the effect of reducing District support indirectly, and the District is unable to predict the nature, extent or effect of such reductions. See also "- COVID-19 Outbreak and its Economic Impact" for a discussion of COVID-19 and its impact on the State economy.

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

Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. The COVID-19 pandemic has already resulted in significant negative economic effects at State and federal levels, and additional negative economic effects are possible, each of which could negatively impact anticipated State revenue levels. In addition, the pandemic could also result in higher State expenditures, of both a direct nature (such as those related to managing the outbreak) and an indirect nature (such as higher public usage of need-based programs resulting from unemployment or disability). See "DISTRICT FINANCIAL INFORMATION – COVID-19 Outbreak and its Economic Impact" " – Effect of COVID-19 Response on California School Districts" herein. The District also cannot predict whether the federal government will provide additional funding in amounts sufficient to offset any of the fiscal impacts of the COVID-19 pandemic described above.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution ("Article XIIIA") limits the amount of *ad valorem* taxes on real property to 1% of "full cash value" as determined by the County assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under 'full cash value,' or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the base year value. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on outstanding general obligation bonds of the District, including the Bonds. See "TAX BASE FOR REPAYMENT OF THE BONDS – Assessed Valuations" herein.

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

Property Tax Base Transfer Constitutional Amendment. On November 3, 2020, voters in the State approved a constitutional amendment entitled Property Tax Transfers, Exemptions and Revenue for Wildfire Agencies and Counties Amendment. Proposition 19: (i) expands special rules that give property tax savings to homeowners that are over the age of 55, severely disabled, or whose property has been impacted by a natural disaster or contamination, when they buy a different home; (ii) narrows existing special rules for inherited properties; and (iii) broadens the scope of legal entity ownership changes that trigger reassessment of properties. The District cannot make any assurance as to what effect the implementation of Proposition 19 will have on assessed valuation of real property in the District.

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 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 not to exceed 2% 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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

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

Unitary Property

Some amount of property tax revenue of the District is derived from utility property which 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 County by SBE, taxed at special county-wide 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.

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. Because the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB of the State Constitution ("Article XIIIB"), as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines

(a) "change in the cost of living" with respect to school districts to mean the percentage change in California per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the average daily attendance of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for certain debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years. However, if a school district's revenues exceed its spending limit, such school district may in any fiscal year increase its appropriations limit to equal its spending by borrowing appropriations limit from the State.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "–Proposition 98" and "–Proposition 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school and college districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. 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.

Proposition 26

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

Proposition 98

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

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 school districts. Any such transfer to K-14 school districts would be excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year would automatically be increased by the amount of such transfer. These additional moneys would enter the base funding calculation for K-14 school districts for subsequent years, creating further pressure on other portions of the State budget, particularly if revenues decline in a year following an Article XIIIB surplus. The maximum amount of excess tax revenues which could be transferred to K-14 school districts is 4% of the minimum State spending for education mandated by the Accountability Act.

Since the Accountability Act is unclear in some details, there can be no assurances that the Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget.

Proposition 111

On June 5, 1990, the voters of California approved the Traffic Congestion Relief and Spending Limitation Act of 1990 ("Proposition 111"), which modified the State Constitution to alter the Article XIIIB spending limit and the education funding provisions of Proposition 98. Proposition 111 took effect on July 1, 1990.

The most significant provisions of Proposition 111 are summarized as follows:

a. <u>Annual Adjustments to Spending Limit</u>. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in California per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess is to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above 1990 levels (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "first test") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment (the "second test"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in California per capita personal income. Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

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

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

Jarvis v. Connell

On May 29, 2002, the California Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State of California (the "Controller")). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the California Constitution or a federal mandate is necessary for the Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the California Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Proposition 1A and Proposition 22

On November 2, 2004, California voters approved Proposition 1A, which amends 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-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. 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 amends 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, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was expected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's general fund costs by approximately $1 billion annually for several decades.

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos*, finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in California were dissolved as of February 1, 2012, and all net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and school districts. The Court also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide. ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to such redevelopment agency will be allocated to the Successor Agency, to be used for the payment of pass-through payments to local taxing entities and to any other "enforceable obligations" (as defined in the Dissolution Act), as well to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally requirement payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations. Tax revenues in excess of such amounts, if any, will be distributed to local taxing entities in the same proportions as other tax revenues.

The District can make no representations as to the extent to which its property tax apportionments may be offset by the future receipt of pass through tax increment revenues, or any other surplus property tax revenues pursuant to the Dissolution Act.

Proposition 30

On November 6, 2012, voters approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which 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, for storage, use, or other consumption in the State. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending January 1, 2019, 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 $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The revenues generated from the temporary tax increases were included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 98" and "– Proposition 111" herein. From an accounting perspective, the revenues generated from the temporary tax increases were deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA were and will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds are distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA 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 is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 55

At the November 8, 2016 general election, the voters in the State approved the Tax Extension of Education and Healthcare Initiative ("Proposition 55") which extends the increase in personal income tax on high-income taxpayers imposed under Proposition 30 until 2030. Proposition 55 did not extend the sales and use tax increases imposed under Proposition 30 which expired in the end of 2016.

Proposition 51

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

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

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation that it will either pursue or qualify for Proposition 51 State facilities funding.

Proposition 2

Proposition 2, a legislatively referred Constitutional amendment approved by the voters in November, 2014 ("Proposition 2"), changed the way in which the State pays off existing debts, funds its reserves and draws from those reserves in times of economic slowdowns, as well as requires that reserves be set aside for schools and community colleges under certain circumstances. In addition, as a result of the passage of Proposition 2, new rules for school district reserves were implemented.

Under Proposition 2, the State is required annually to deposit 1.5% of general fund revenues into the Budget Stabilization Account ("BSA"). From fiscal year 2015-16 through 2029-30, under Proposition 2, one half of the amount required to be deposited to the BSA must be applied to the payment of debts for pension and retiree benefits and specified debts to local governments and certain other State accounts. In years when capital gains tax revenues exceed 8% of general fund revenues, a portion of such excess capital gains tax revenue is also required to be applied to the pay down of State debt. Deposits to the BSA are required until the amount on hand in the BSA reaches 10% of general fund revenues. Once the maximum has been reached, the required deposit amount may be applied to other expenditures.

In the event the Governor were to declare a budget emergency, Proposition 2 would permit a smaller deposit to the BSA. A budget emergency may be called if there is a natural disaster such as an earthquake or flood or general fund revenues reach a certain minimum level. Withdrawals from the BSA, under Proposition 2, are permitted upon a majority vote of the legislature only when the Governor has declared a budget emergency. If a budget emergency is called for two straight years in a row, in the second budget emergency year, the entire amount on hand might be withdrawn.

Public School System Stabilization Account. In the event capital gains tax revenues collected by the State in any given fiscal year exceed 8% of general fund revenues, a portion of such excess is required to be deposited into the PSSSA which serves as a reserve account for school funding in years when the State budget is smaller. See “State Budget Measures – 2020-21 State Budget” above for information regarding the deposit of funds to the PSSSA in fiscal years 2019-20, 2020-21 and 2021-22.

SB 858 and SB 751. 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 ADA. SB 858, adopted in June 2014, imposed limitations relating to ending fund balances for school districts. 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. SB 751, which was adopted in October 2017 and amended Section 42127.01 of the Education Code, placed certain restrictions on the amount of a school district’s ending fund balances if a certain amount of funds is available in the State’s PSSSA. In a fiscal year in which the amount of moneys in the PSSSA is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts for that fiscal year, (see “CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES – Proposition 98”), a school district’s adopted or revised budget may not contain an assigned or unassigned ending fund balance higher than 10% of expenditures and other financing uses. A county superintendent could waive the prohibition, pursuant to specified conditions, for up to two consecutive years within a three-year period. SB 751 does not apply to school districts with an ADA of less than 2,501 students and basic aid school districts.

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 PSSSA appears to be intended to provide a substitute for local reserves in the event of a future economic downturn.

The District is required to maintain a reserve for economic uncertainties at least equal to 2% of general fund expenditures and other financing uses. On June 30, 2021, the District had available reserves of $24,033,442, consisting of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the general fund. The District is unable to predict what the effect on its budget will be following implementation of these new rules. It is anticipated that if the cap is triggered, it will materially change the District’s current policies on reserves.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 26, 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District’s ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

LODI UNIFIED SCHOOL DISTRICT

Introduction

The District, which was established in 1967, is located in the San Joaquin Valley of central California. The District includes the city of Lodi, the northern portion of the city of Stockton and adjacent unincorporated areas of the County, and encompasses a territory of about 350 square miles and a population of about 185,000 residents. Enrollment in the District for fiscal year 2021-22 is 27,512 students. The District currently operates 32 elementary schools, (most of which have a grade configuration of kindergarten through 6th grade, one GATE school for grades four through eight, and two schools for grades kinder through eight), five middle schools serving grades seven and eight, two alternative schools of choice (one serving grades seven and eight and one serving grades kinder through twelve), four comprehensive high schools, one high school offering college preparatory classes, two alternative high schools, an independent study school, preschool programs, one charter school, and an adult education program. The District also has five independent charter schools operating within the District. The ADA for the District for fiscal year 2021-22 is budgeted to be 24,807 and the District has a 2021-22 assessed valuation of $19,929,958,456. The audited financial statements for the District for the fiscal year ended June 30, 2021 are attached as APPENDIX B hereto.

Board of Education

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

LODI UNIFIED SCHOOL DISTRICT
Board of Education

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

Source: *The District*

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial statements of the District may be obtained by contacting: Lodi Unified School District, 1305 E. Vine Street, Lodi, California 95240, Attention: Chief Business Officer. The District may charge a small fee for copying, mailing and handling.

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Key Personnel

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

Name	Title
Dr. Cathy Nichols-Washer*	*Superintendent*
Leonard Kahn	*Chief Business Officer*
April Juarez	*Senior Director/Controller*
Mike McKilligan	*Assistant Superintendent, Personnel*
Neil Young	*Assistant Superintendent, Elementary Education*
Scott McGregor	*Assistant Superintendent, Secondary Education*
Dr. Robert Sahli,	*Assistant Superintendent, Curriculum/Instruction/Assessment*

Superintendent. Dr. Cathy Nichols-Washer has served as Superintendent of the District since 2008. Dr Nichols-Washer began her career in the classroom as a teacher in the Manteca Unified School District ("MUSD"). Prior to joining the District, Dr. Nichols-Washer also served as Superintendent for MUSD. She earned a Bachelor of Science from the University of California, Davis, a Master's Degree in Educational Administration from the California State University, Sacramento, and a Doctorate Degree in Educational Administration from the University of the Pacific.

Employees and Labor Relations

The District employs approximately 1,826 full-time equivalent certificated academic professionals as well as approximately 1,525 full-time equivalent classified employees.

The employees of the District are represented by four employee associations as follows.

Employee Groups	Employees Represented	Contract Term
Lodi Education Association	Teachers and librarians	July 1, 2020-June 30, 2023
Lodi Pupil Personnel Association	Counselors, Language, Speech and Hearing Specialists, Nurses, Program Specialists, Psychologists	July 1, 2019-June 30, 2022
California School Employees Association	Classified employees	July 1, 2020-June 30, 2023
Lodi Unified Supervisory Group	Supervisory employees	July 1, 2020-June 30, 2023

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 to be construed as a representation the District.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor

* Dr. Nichols-Washer has announced her retirement from the District at the end of the 2022-23 school year.

benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law. For fiscal year 2021-22, the District is required by such statutes to contribute 16.92% of eligible salary expenditures, while participants contribute either 10.25% or 10.205% of their respective salaries. The State also contributes to STRS, currently in an amount equal to 9.828% of teacher payroll for fiscal year 2021-22. The State's contribution reflects a base contribution of 2.017% and a supplemental contribution that will vary from year-to-year based on statutory criteria.

As part of the 2014-15 State Budget, the Governor signed Assembly Bill 1469 ("AB 1469") which implemented a new funding strategy for STRS, increasing the employer contribution rate in fiscal year 2014-15 from 8.25% to 8.88% of covered payroll. Such rate increased by 1.85% in fiscal year 2015-16 and will continue to increase annually until the employer contribution rate is 19.10% of covered payroll as further described below. Teacher contributions also increased from 8.00% to a total of 10.25% of pay, over the three year period from 2014-15 through 2017-18. The State's total contribution also increased from approximately 3% in fiscal year 2013-14 to 6.30% of payroll in fiscal year 2016-17, plus the continued payment of 2.5% of payroll annually for a supplemental inflation protection program for a total of 8.80%. In addition, AB 1469 provides the State Teachers Retirement Board with authority to modify the percentages paid by employers and employees for fiscal year 2021-22 and each fiscal year thereafter to eliminate the STRS unfunded liability by June 30, 2046, which is premised upon an actuarially assumed earnings rate of 7.00%. The State Teachers Retirement Board would also have authority to reduce employer and State contributions if they are no longer necessary.

Pursuant to AB 1469, school districts' employer contribution rates increased over a seven-year phase-in period in accordance with the following schedule:

SCHOOL DISTRICT EMPLOYER CONTRIBUTION RATES
State Teachers' Retirement Fund

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

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

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

The District contributed $19,989,000 to STRS for fiscal year 2017-18, $25,556,256 for fiscal year 2018-19, $24,534,963 for fiscal year 2019-20, and $25,990,245 for fiscal year 2020-21. Such contributions were equal to 100% of the required contributions for the respective years. The District has budgeted a contribution of $24,929,301 to STRS for fiscal year 2021-22. With the implementation of AB 1469, the District anticipates that its contributions to STRS will increase in future fiscal years as compared to prior fiscal years. The District, nonetheless, is unable to predict all factors or any changes in law that could affect its required contributions to STRS in future fiscal years.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended, with the Public Employees' Retirement Laws. The District is currently required to contribute to PERS at an actuarially determined rate, which is 22.91% of eligible salary expenditures for fiscal year 2021-22, while participants enrolled in PERS (whether enrolled prior to or subsequent to January 1, 2013) contribute 7% of their respective salaries.

On April 19, 2017, the Board of Administration of PERS ("PERS Board") 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 PERS Board 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 2017-18 contribution rate also took into account increased payroll over 2016-17, a lowered discount rate (which was approved in December 2016) as well as lower than predicted investment returns in prior years. 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. See "DISTRICT FINANCIAL INFORMATION - State Budget Measures" herein.

On April 18, 2022, the PERS Board set the fiscal year 2022-23 employer contribution rate at 25.37%. The PERS Board also approved an increase in the employee contribution rate for members subject to the Reform Act (defined below) from 7.00% of earnings to 8.00% for fiscal year 2022-23.

The District contributed $7,950,426 to PERS for fiscal year 2017-18, $9,483,820 for fiscal year 2018-19, $10,072,372 for fiscal year 2019-20, and $10,648,826 for fiscal year 2020-21, which amounts equaled 100% of required contributions to PERS. The District has budgeted a contribution of $12,966,331 to PERS for fiscal year 2021-22.

State Pension Trusts. 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 is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for PERS and STRS as of July 1, 2020.

FUNDED STATUS
STRS (DEFINED BENEFIT PROGRAM) and PERS
Actuarial Valuation
(Dollar Amounts in Millions) [(1)]

Plan	Accrued Liability	Market Value of Trust Assets	Unfunded Liability
Public Employees Retirement Fund (PERS)	$104,062	$ 71,400	$ (32,662)
State Teachers' Retirement Fund Defined Benefit Program (STRS)	322,127	216,252	(105,875)

(1) Amounts may not add due to rounding.
Source: *PERS State & Schools Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.*

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

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

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. Statements No. 67 and No. 68 replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

The District's proportionate shares of the net pension liability of STRS and PERS, as of June 30, 2021, are as shown in the following table.

Pension Plan	Proportionate Share of Net Pension Liability
STRS	$251,963,400
PERS	108,252,347
Total	$360,215,747

Source*: The District.*

For further information about the District's contributions to PERS and STRS, see Note 11 in the District's audited financial statements for fiscal year ended June 30, 2021 attached hereto as APPENDIX B.

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 "DISTRICT FINANCIAL INFORMATION – COVID 19 Outbreak and its Economic Impact" herein for information regarding the outbreak of COVID-19.

Other Post-Employment Benefits

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, 2021, 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, 2021, the District paid $1,723,022 of post-employment benefits to current retirees on a pay-as-you-go basis.

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, 2021 the District transferred $5,412,335 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's most recent actuarial valuation of its OPEB obligation is dated June 30, 2019, and the District's total OPEB liability as of June 30, 2020 is $102,908,147.

The following table shows the changes in the District's net Health and Welfare Benefits as of June 30, 2021.

	Total OPEB Liability
Balance at June 30, 2020	$77,782,961
Changes recognized for the measurement period:	
Service Cost	6,282,569
Interest on TOL	2,800,579
Assumption Changes	17,857,465
Differences between expected and actual experience	(99,734)
Benefit payments	(1,715,693)
Net Changes	25,125,186
Balance at June 30, 2021	$102,908,147

Source: *The District*.

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, 2021, the District participated in three joint power agreements (JPAs) for purposes of pooling of risk related to property and liability.

The District accrued a claims liability of $7,221,370 as of June 30, 2021, 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 2021-22 fiscal year will be $2,928,155.

Joint Powers Agreements

The District participates in three joint powers authorities ("JPAs"); Schools Association for Excess Risk ("SAFER"); Northern California Relief ("NCR"); and Protected Insurance Program for Schools ("PIPS") Joint Powers Authority. SAFER and NCR provide property and liability insurance coverage and PIPS provides workers' compensation insurance to the District.

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.

Cyber Security

School districts, like other governmental and business entities, face significant risks relating to the use and application of computer software and hardware for educational and operational and management purposes. The District also collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District may face cybersecurity threats from time to time. Given the importance of cybersecurity for school districts, federal lawmakers recently approved the K-12 Cybersecurity Act of 2021 to study cybersecurity risks that school districts face and develop recommended guidelines and an online training toolkit for school district officials to address such cybersecurity risks.

In October, 2021, the District experienced a network disruption that impacted its ability to access certain District files and systems. As a result of an investigation of the disruption, it was determined that certain segments of the District's network were accessed during the incident and private, protected and personal information may have been impacted. In response to the incident, the District changed account passwords and implemented additional security measures. In an abundance of caution, the District also offered potentially impacted individuals access to credit monitoring and identity protection services.

To protect itself from future cybersecurity attacks, the District utilizes firewalls, anti-virus and anti-malware software, and provides cybersecurity training to District employees. In addition, the District has an informal general technology use policy. The District currently maintains a policy of cyber liability insurance but can make no assurances regarding the availability of such insurance in the future. There can be no assurance that a future cyberattack or attempted cyberattack would not compromise the personal information that the District collects, processes and stores or cause a disruption in District operations, particularly given that students, teachers, and staff are accessing District computer systems and platforms remotely which may increase the risks of intrusion by third parties.

District Debt Structure

Long-Term Debt

The following table summarizes the District's outstanding long-term liabilities as of June 30, 2021.

	Balance on June 30, 2020	Additions	Deductions	Balance June 30, 2021	Amounts Due Within One Year
General Obligation Bonds	$278,945,000	$10,000,000	$(15,950,000)	$272,995,000	$18,700,000
Unamortized GOB Premium	22,083,318	814,662	(1,818,634)	21,079,346	1,876,740
Certificates of Participation	7,930,000	--	(865,000)	7,065,000	885,000
Unamortized COP Discount	(9,426)	--	2,317	(7,109)	(2,002)
Capital Leases	5,092,677	--	(554,683)	4,537,994	584,388
Claims Liability	12,085,132	502,160	(5,365,922)	7,221,370	2,928,155
Compensated Absences	1,259,809	2,119,268	(2,230,893)	1,148,184	1,136,702
Total	$327,386,510	$13,436,090	$(26,782,815)	$314,039,785	$26,108,983

Source: *The District*.

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"). 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 "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 "2004 Bonds"). On July 18, 2006, the District issued the third and final series of bonds under the 2002 Authorization in the principal amount of $9,360,000 (the "2006 Bonds"). Except for refundings, no further general obligation bonds remain for issuance under the 2002 Authorization.

On November 3, 2011, the District issued refunding bonds in the principal amount of $42,190,000 (the "2011 Refunding Bonds") to refund the 2002 Bonds. On August 14, 2012, the District issued the 2012 Refunding Bonds to advance refund a portion of the 2004 Bonds. On May 20, 2015, the District issued refunding bonds in the amount of $8,005,000 (the "2015 Refunding Bonds") to currently refund a portion of the 2006 Bonds as a private placement. On December 21, 2017, the District privately placed refunding bonds in the amount of $21,190,000 (the "2017 Refunding Bonds") to refund a portion of the outstanding 2011 Refunding Bonds.

SFID 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. 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 39.5% of its assessed value in 2021-22. 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 general obligation bonds issued under the 2002 Authorization, the 2006 Authorization and the 2016 Authorization (defined below).

The District received authorization at an election held on November 7, 2006 to issue not to exceed $114,000,000 of general obligation bonds (the "2006 SFID Authorization") within SFID No. 1. On August 15, 2007, the District issued the first series of bonds under the 2006 Authorization on behalf of SFID No. 1 in the principal amount of $50,000,000 (the "2007 SFID Bonds"). On May 19, 2016, the District issued refunding bonds in the amount of $34,900,000 (the "2016 Refunding Bonds") to refund a portion of the 2007 SFID Bonds. On October 11, 2018, the District issued the second series of bonds of the 2006 SFID Authorization in the principal amount of $9,000,000 (the "2018 SFID Bonds"). On November 17, 2020, the District issued the third series of bonds of the 2006 Authorization in the principal amount of $10,000,000. $45,000,000 aggregate principal amount of general obligation bonds remain for issuance under the 2006 SFID Authorization.

2016 Authorization. At an election held on November 8, 2016, the eligible voters within the District approved the issuance of not to exceed $281,000,000 of general obligation bonds (the "2016 Authorization"). 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 "2017 Bonds"). 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 "2020 Bonds"). On July 8, 2021, the District issued the third and final series of general obligation bonds pursuant to the 2016 Authorization in the principal amount of $91,000,000 (the "2021 Bonds"). No further general obligation bonds remain for issuance under the 2016 Authorization.

Certificates of Participation. On January 23, 2014, the District executed and delivered refunding certificates of participation in the principal amount of $8,165,000 through a private placement, which were used to currently refund certain outstanding certificates of participation of the District (the "2014 Refunding Certificates"). As of June 30, 2021, the outstanding principal balance was $4,875,000.

On July 22, 2010, the District sold $75,000 principal amount of its 2010 Certificates of Participation Series A (the "2010 Series A Certificates") and $5,500,000 of its 2010 Certificates of Participation Series B (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 2010 Series B Certificates have been designated as qualified school construction bonds making the District eligible to receive a cash subsidy payment from the United States Treasury on or about each interest payment date. As of June 30, 2021, the principal balance of the 2010 Certificates was $2,190,000.

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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
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	$2,752,100.00	$5,678,616.00	$8,430,716.00

[1] Does not include subsidy payments from the U.S. Treasury received by the District with respect to the 2010 Series B Certificates.

Source: *The 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 for the installation of photovoltaic systems at four District sites (the "2010 Energy Bonds"). The 2010 Energy Bonds 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 Energy Bonds qualify the District, under Section 54D of the Code to receive a cash subsidy payment from the United States Treasury on or about each interest payment date. The annual payment schedule for the 2010 Energy bonds is as follow:

ANNUAL PAYMENTS
Qualified Energy Conservation Bonds
Lodi Unified School District

Fiscal Year Ending June 30	Principal	Interest*	Total
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	$4,415,000.00	$976,523.50	$5,391,523.50

* Gross lease payments, without regard to the receipt of subsidy payments from the U.S. Treasury.

Source: *The District.*

Short-Term Debt. As of June 30, 2021, the District did not have any short-term debt outstanding. The District has not issued and does not plan to issue any tax and revenue anticipation notes or other short-term debt in fiscal year 2021-22.

SAN JOAQUIN COUNTY POOLED INVESTMENT FUND

The following information concerning the San Joaquin County Pooled Investment Fund has been provided by the Treasurer and has not been confirmed or verified by the District. No representation is made herein as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date.

Under California law, the District is required to pay all monies received from any source into the San Joaquin County Treasury to be held on behalf of the District. The Treasurer has authority to implement and oversee the investment of funds on deposit in commingled funds of the Treasury.

Decisions on the investment of funds in the Pooled Investment Fund are made by the Treasurer and her deputies in accordance with established policy guidelines. In the County, investment decisions are governed by California Government Code Sections 53601 and 53635, *et seq*., which govern legal investments by local agencies in the State of California, and a more restrictive Investment Policy proposed by the Treasurer and adopted by the County Board of Supervisors on an annual basis. The Investment Policy is reviewed and approved annually by the County Board of Supervisors. The Treasurer's compliance with the Investment Policy is also audited annually by an independent certified public accountant. For a description of the permitted investments under the investment policy of the County and recent investment performance of the San Joaquin County Pooled Investment Fund, see APPENDIX E hereto.

The District has not made an independent investigation of the investments in the Pooled Investment Fund and has made no assessment of the current County Investment Policy. The value of the various investments in the Pooled Investment Fund will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, after a review by the Committee and approval by the Board may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the Pooled Investment Fund will not vary significantly from the values described therein.

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 the Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than March 30 following the end of the District's fiscal year (currently ending June 30), commencing with the report for the 2021-22 fiscal year, and to provide notices of the occurrence of certain enumerated events. The District has entered into a Continuing Disclosure Agreement ("Continuing Disclosure Agreement") for the benefit of the Owners of the Bonds. The Annual Report and each notice of enumerated events will be filed by the District with the Electronic Municipal Markets Access system ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB"), or any other repository then recognized by the Securities and Exchange Commission. The specific nature of the information to be contained in the

Annual Report or the notices of enumerated events is set forth in APPENDIX D – "FORM OF CONTINUING DISCLOSURE AGREEMENT" hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Within the last five years, the District failed to file timely (i) assessed valuation and largest taxpayer information for the District's School Facilities Improvement District No. 1 for fiscal year 2017-18; (ii) notice of a Moody's rating upgrade on April 15, 2021 and (iii) the interim financial report for fiscal year 2020-21 and a failure to file notice was filed.

LEGAL MATTERS

The legal opinion of Dannis Woliver Kelley, Long Beach, California, Bond Counsel to the District ("Bond Counsel"), attesting to the validity of the Bonds, will be supplied to the Underwriter of the Bonds without charge, a form of which is attached hereto as Exhibit A. Dannis Woliver Kelley is also acting as Disclosure Counsel to the District. Bond Counsel and Disclosure Counsel will receive compensation contingent upon the sale and delivery of the Bonds.

Limitation on Remedies; Amounts Held in the County Treasury Pool

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

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

The Resolution and the Act require the County to annually levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of the principal of, premium, if any, and interest on the Bonds. The County, on behalf of the District, is thus expected to be in possession of the annual *ad valorem* taxes and certain funds to repay the Bonds and may invest these funds in the County's Investment Pool, as described in APPENDIX E – "SAN JOAQUIN COUNTY INVESTMENT POLICY STATEMENT AND MONTHLY INVESTMENT REPORT FOR MONTH ENDED, MARCH 31, 2022" attached hereto. In the event the District or the County were to go into bankruptcy, a federal bankruptcy court might hold that the Owners of the Bonds are unsecured creditors with respect to any funds received by the District or the County prior to the bankruptcy, where such amounts are deposited into the County Treasury Pool, and such amounts may not be available for payment of the principal of and interest on the Bonds unless the Owners of the Bonds can "trace" those funds. There can be no assurance that the Owners could successfully so "trace" such taxes on deposit in the District's Debt Service Fund where such amounts are invested in the County Investment Pool. Under any such circumstances, there could be delays or reductions in payments on the Bonds.

California Senate Bill 222

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

TAX MATTERS

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

In rendering the foregoing opinions, Bond Counsel will rely upon the representations and certifications of the District made in a certificate (the "Tax Certificate") of even date with the initial delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance with the provisions of the Resolution by the District subsequent to the issuance of the Bonds. The Tax Certificate contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities and equipment financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, if required, the calculation and payment to the United States Treasury of any "arbitrage profits" and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants could cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, State or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, certain foreign corporations doing business in the United States, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the IRS or the State of California with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service or the State of California. The Service has an ongoing program of auditing the tax status of the interest on municipal obligations. If an audit of the Bonds is commenced, under current procedures, the Service is likely to treat the District as the "taxpayer," and the Owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the respective Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

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

The initial public offering price of certain of the Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. The tax rules requiring inclusion in income annually by the holder of a debt instrument having original issue discount of the daily portion of original issue discount for each day during a taxable year in which such holder held such debt instrument is inapplicable to the Bonds. A portion of such original issue discount, allocable to the holding period of such Discount Bond by the initial purchaser, will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, and will be added to the holder's basis in the Discount Bond, for federal income tax purposes, on the same terms and conditions as those for other interest on the bonds described above under "TAX MATTERS." Such interest is considered to be accrued in accordance with the constant-yield-to-maturity method over the life of a Discount Bond taking into account the semiannual compounding of accrued interest at the yield to maturity on such Discount Bond, and generally will be allocated to an original purchaser in a different amount from the amount of the payment denominated as interest actually received by the original purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial Owner prior to maturity, the amount realized by such Owner in excess of the basis of such Discount Bond in the hands of such Owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Bonds and with respect to the state and local tax consequences of owning Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial offering price of certain Bonds (the "Premium Bonds"), may be greater than the amount payable on such bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity. Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium with respect to the Premium Bonds for federal income purposes and with respect to the state and local tax consequences of owning Premium Bonds.

Form of Bond Counsel Opinion. The form of the proposed opinion of Bond Counsel relating to the Bonds is attached to this Official Statement as APPENDIX A.

LEGALITY FOR INVESTMENT

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

RATING

Moody's Investors Service ("Moody's") has assigned its municipal bond rating of "Aa2" to the Bonds. Such ratings reflect only the views of Moody's and an explanation of the significance of such ratings may be obtained as follows: Moody's at 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, tel. (212) 553-0300. There is no assurance that such ratings will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

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

ESCROW VERIFICATION

The sufficiency of amounts on deposit in the Escrow Fund to pay the redemption price of the Refunded Bonds will be verified by Causey Demgen & Moore, P.C., certified public accountants (the

"Verification Agent"). The Verification Agent will deliver a report to that effect on the date of delivery of the Bonds.

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has agreed to purchase the Bonds at the purchase price of $______ (reflecting the principal amount of the Bonds of $_______ plus an original issue premium in the amount of $________ less an Underwriter's discount in the amount of $______), at the rates and yields shown on the inside cover page hereof.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices or yields different from the initial public offering prices or yields stated on the inside cover page. The initial public offering prices or yields may be changed from time to time by the Underwriter.

NO LITIGATION

No litigation is pending concerning the validity of the Bonds, and the District's 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 questioning the political existence of the District or contesting the District's ability to receive *ad valorem* taxes or to collect other revenues or contesting the District's ability to issue the Bonds.

OTHER INFORMATION

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made such documents and reports for full and complete statements of the contents thereof. Copies of the Resolution are available upon request from the Lodi Unified School District, 1305 E. Vine Street, Lodi, California 95240.

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 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 has been duly authorized by the District.

LODI UNIFIED SCHOOL DISTRICT

By:____

Superintendent

APPENDIX A

FORM OF BOND COUNSEL OPINION

[Closing date]

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

Re: $________ Lodi Unified School District San Joaquin County, California 2022 General Obligation Refunding Bonds

Ladies and Gentlemen:

We have acted as bond counsel for the Lodi Unified School District, San Joaquin County, California (the "District"), in connection with the issuance by the District of $______ aggregate principal amount of the District's 2022 General Obligation Refunding Bonds (the "Bonds"). The Bonds are issued pursuant to the Government Code of the State of California (commencing at Section 53550), as amended and that certain resolution adopted by the Board of Education of the District on May 10, 2022 (the "Resolution"). All terms used herein and not otherwise defined shall have the meanings given to them in the Resolution.

As bond counsel, we have examined copies certified to us as being true and complete copies of the proceedings of the District for the authorization and issuance of the Bonds, including the Resolution. Our services as such bond counsel were limited to an examination of such proceedings and to the rendering of the opinions set forth below. In this connection, we have also examined such certificates of public officials and officers of the District and San Joaquin County (the "County") as we have considered necessary for the purposes of this opinion.

Certain agreements, requirements and procedures contained or referred to in the Resolution and other relevant documents may be changed and certain actions (including, without limitation, defeasance of Bonds) may be taken or omitted under the circumstances and subject to the terms and conditions set forth in such documents. No opinion is expressed herein as to any effect on any Bond if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than ourselves.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by any parties other than the District. We have not undertaken to verify independently, and have assumed, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Bonds and the Resolution may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors, rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against public entities in the State of California. We express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the foregoing documents. We express no opinion and make no comment with respect to the sufficiency of the security for the marketability of the Bonds. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion herein with respect thereto.

Based on and subject to the foregoing and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding general obligations of the District.

2. The Bonds are payable as to both principal and interest from the proceeds of a levy of *ad valorem* taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount, except for certain personal property that is taxable at limited rates.

3. The Resolution has been duly adopted and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.

4. Interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended..

5. Interest on the Bonds is exempt from personal income taxes of the State of California.

Ownership of tax-exempt obligations such as the Bonds may result in collateral tax consequences. The nature and extent of these other tax consequences will depend upon the particular tax status of the owner of the Bonds or such owner's other items of income or deduction. We express no opinion with respect to any federal, state, or local tax consequences, under present law or any proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds.

Our opinions are based on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Our opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of results.

Respectfully submitted,

Dannis Woliver Kelley

APPENDIX B

LODI UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS
FOR FISCAL YEAR ENDED JUNE 30, 2021

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LODI UNIFIED SCHOOL DISTRICT

COUNTY OF SAN JOAQUIN
LODI, CALIFORNIA

FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT

YEAR ENDED JUNE 30, 2021

LODI UNIFIED SCHOOL DISTRICT

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YEAR ENDED JUNE 30, 2021

LODI UNIFIED SCHOOL DISTRICT

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YEAR ENDED JUNE 30, 2021

FINANCIAL SECTION

GILBERT
Relax. We got this.℠

INDEPENDENT AUDITOR'S REPORT

Board of Education
Lodi Unified School District
Lodi, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Lodi Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Required Supplementary Information section, as listed in the Table of Contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Supplementary Information section, as listed in the Table of Contents, is presented for purposes of additional analysis and as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel, and are not a required part of the basic financial statements.

The Supplementary Information section is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

November 22, 2021

This section of the Lodi Unified School District's annual financial report presents our discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflow of resources exceeded the liabilities and deferred inflow of resources of the District at June 30, 2021, by $276 million (net position).

- Net position increased by $39 million over the previous fiscal year primarily due to influx of COVID-19 related funds from federal and state resources.

- As of June 30, 2021, the District's governmental funds reported combined ending fund balances of $305 million, a decrease of $36 million in comparison with the prior year. Of this total amount:

  - $109 million (36 percent) reflects the General Fund ending balance,

  - $133 million (44 percent) represents the ending balances of capital project funds, and

  - $63 million (21 percent) comprises the ending balances of special revenue and debt service funds.

- The unrestricted portion of the ending balance for the General Fund is $93 million at June 30, 2021, of which $69 million is assigned to instruction, future cost of benefits, enrollment decline, and other assignments. The remaining balance of $24 million is unassigned and is part of the required reserve for economic uncertainties.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual financial report consists of three separate parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The three sections together provide a comprehensive overview of the District. The basic financial statements are comprised of two kinds of statements that present financial information from different perspectives: government-wide and funds.

- Government-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

  - Basic services funding (i.e., regular and special education) is described in the governmental fund statements. These statements include short-term financing and balances remaining for future one-time spending.

  - Short and long-term financial information about the activities of the District that operate like businesses (such as self-insurance funds) is provided in the proprietary fund statements.

- Notes to the financials, which are included in the financial statements, provide more detailed data, and explain some of the information in the statements.

- The required supplementary information section provides further explanations and additional support for the financial statements. A comparison of the District's budget for the year is included. Budgetary comparisons of the General Fund and the Cafeteria Fund (a major special revenue fund) are included in this section. This section also includes a schedule of changes in total OPEB liabilities and schedules of the District's proportionate share of net pension liabilities and contributions to its pension plans.

Government-wide Statements

The District as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets, liabilities, and deferred outflow and inflow of resources are included in the statement of net position. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid. The District net position can be measured by adding the District's assets and deferred outflow of resources and subtracting the liabilities and deferred inflow of resources.

- Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as the condition of school buildings and other facilities and changes in the property tax base of the District need to be considered in assessing the overall health of the District.

In the government-wide financial statements, the District activities are categorized as governmental activities. The governmental activities are the basic services provided by the District, such as regular and special education, administration, and transportation, and are included here. Property taxes and state formula aid finance most of these activities.

Fund Financial Statements

More detailed information about the District's most significant funds – not the District as a whole – is provided in the fund financial statements. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by bond covenants and by state law.

- Other funds are established by the District to control and manage money for particular purposes (such as repaying its long-term debts). These funds may also show proper usage of certain revenues (such as grants from federal and state sources).

The District has two kinds of funds:

- **Governmental funds**: Most of the District's basic services are included in governmental funds, which generally focus on:

  1. How cash and other financial assets can readily be converted to cash flow (in and out).

  2. The ending balances available for one-time spending.

  The governmental fund statement provides a detailed short-term view of the District's financial position and whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided as a separate reconciliation to the governmental fund statements that explain the differences (or relationships) between them.

- **Proprietary funds**: Services for which the District charges a fee are generally reported in a proprietary fund. A type of proprietary fund is the internal service fund which reports activities that provide services for the other programs and activities of the District. Proprietary funds are reported in the same way as the government-wide statements.

  The District maintains two internal service funds for self-insurance. One of the Self-Insurance Fund reports the activities for workers' compensation, self-insured retention portion of property and liability, and vision and dental benefits. The other Self-Insurance Fund – OPEB reports the activities related to retiree benefits.

FINANCIAL ANALYSIS OF THE DISTRICT AS WHOLE

Table 1 summarizes the District's net position. As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources by $276 million at June 30, 2021. The unrestricted net position was negative $209 million due primarily to recognizing net pension liability of $360 million and OPEB liability of $103 million. Net investment in capital assets (e.g., land, building, and equipment) was $314 million of the net position. The District uses these assets to provide educational services; therefore, they are not available for future spending. Although the District's investments in its capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. And lastly, resources subject to external restrictions accounted for $171 million of the net position of which $73 million are unspent Measure L and U bond proceeds.

Table 1
Net Position

	2020	2021	Percent Change
Current and Other Assets	$ 491,549,733	$ 479,940,351	-2.36%
Capital Assets	468,930,008	544,420,391	16.10%
Total Assets	960,479,741	1,024,360,742	6.65%
Deferred outflow of resources related to pensions	86,465,725	77,864,200	-9.95%
Deferred outflow of resources related to OPEB	4,504,780	20,698,446	359.48%
Deferred amount on debt refunding	2,203,406	1,861,852	-15.50%
Total Deferred Outflow of Resources	93,173,911	100,424,498	7.78%
Long-Term Liabilities Outstanding	753,663,438	777,163,679	3.12%
Other Liabilities	41,984,495	57,467,991	36.88%
Total Liabilities	795,647,933	834,631,670	4.90%
Deferred inflow of resources related to OPEB	4,268,717	10,591,996	148.13%
Deferred inflow of resources related to pensions	17,304,023	3,939,557	-77.23%
Total Deferred Inflow of Resources	21,572,740	14,531,553	-32.64%
Net Investment in Capital Assets	302,902,592	314,076,024	3.69%
Restricted	225,696,953	170,684,228	-24.37%
Unrestricted	(292,166,566)	(209,138,235)	-28.42%
Total Net Position	$ 236,432,979	$ 275,622,017	16.58%

Table 2 shows the changes in net position. Total revenues for the District as a whole increased by $55 million to $475 million, while the total cost of all programs and services for the District as a whole increased by $41 million to $436 million. Net position increased by $39 million due to an increase in federal and state funding resources provided to address the impacts of COVID-19 pandemic.

Table 2
Changes in Net Position

	2020	2021	Percent Change
Revenues			
Program Revenues (Restricted)			
Charges for Services	$ 6,623,436	$ 7,887,310	19.08%
Operating Grants	76,454,936	141,856,004	85.54%
General Revenues			
Property Taxes	83,177,879	89,156,925	7.19%
Federal and state aid-Unrestricted	242,974,737	233,579,640	-3.87%
Developer Fees	3,638,979	6,765,189	85.91%
Other	6,982,500	(4,513,316)	-164.64%
Total Revenues	419,852,467	474,731,752	13.07%
Program Expenses			
Instruction	239,057,563	259,488,745	8.55%
Instruction Related Services	38,660,651	39,878,274	3.15%
Pupil Services	47,554,528	47,311,600	-0.51%
General Administration	21,069,571	31,025,604	47.25%
Plant Services	33,755,854	44,059,616	30.52%
Interest	8,658,938	9,679,704	11.79%
Other	5,794,095	4,099,171	-29.25%
Total Expenses	394,551,200	435,542,714	10.39%
Increase/(Decrease) in Net Position	25,301,267	39,189,038	
Net Position - Beginning	211,131,712	236,432,979	
Net Position - Ending	$ 236,432,979	$ 275,622,017	16.58%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

General Governmental Functions

All governmental funds had total revenues and other financing sources of $506 million and expenditures and other financing uses of $542 million. These activities decreased the combined fund balance by $36 million to $305 million. Table 3 shows the changes in fund balances from the prior year.

Table 3
Changes in Fund Balances

	2020	2021	Increase (Decrease)
General	$ 96,392,962	$ 108,699,591	$ 12,306,629
Student Activity Fund	2,043,372	1,977,581	(65,791)
Charter School	2,166,243	2,723,563	557,320
Adult Education	288,075	710,145	422,070
Child Development	332,472	382,991	50,519
Cafeteria	7,460,627	10,758,609	3,297,982
Building	152,301,383	79,940,510	(72,360,873)
Capital Facilities	18,123,115	24,233,612	6,110,497
Special Reserve Fund for Capital Outlays	13,288,348	28,930,373	15,642,025
Bond Interest and Redemption	34,182,113	33,557,329	(624,784)
Debt Service	14,883,862	13,186,730	(1,697,132)
Total	$ 341,462,572	$ 305,101,034	$ (36,361,538)

Significant net changes in fund balances for the year were as follows:

- General Fund increased by $12 million due to increase in state and federal resources.
- Building Fund net decreased by $72 million due to construction activities.
- Capital Facilities fund increased by $6 million due to increase in developer fees.
- Special Reserve Fund for Capital Outlays increased by $16 million for facilities renovations.

General Fund Budgetary Highlights

Work on the 2020-21 general fund started with a review of the Governor's proposal in January 2020. However, this all changed in March 2020, when the District was faced with an unprecedented health pandemic brought on by COVID-19, which has affected the economy world-wide. Schools were closed and distance learning was provided to all students in the last quarter of the 2019-20 school year and continued in 2020-21. COVID-19 changed the world and our norm as we used to know it. Distance learning and remote work were thrust upon not only Lodi Unified School District, but many sectors of the economy. We all had to learn and adjust in this new COVID-19 world. Funding wise, at May Revise, the State was projecting huge, detrimental cuts to school budgets; Lodi Unified was looking at $30 Million reduction in LCFF. Eventually, after negotiations, the Legislature reached a compromise with no COLA and deferrals in lieu of cuts.

The State initially released COVID-19 Response funds and the Federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act"), which provided at that time the largest inflow of COVID-19 Relief funds to Americans impacted by COVID-19. More relief funds followed under the State's Learning Loss Mitigation Funds and the Federal government's additional Elementary and Secondary School Emergency Relief funds. The State and Federal monies were restricted and targeted in the types of allowable use of funds. Altogether, the District's COVID relief funds are projected at $167 million.

Besides the effects of COVID-19 pandemic, the other major concern to the District's finances is the continual declining student enrollment. This is a trend state-wide and nationwide.

The Local Control and Accountability Plan requirements were suspended for 2020-21 and instead a Learning Continuity Plan was prepared that addressed the District's response to COVID-19. Financial updates were presented to the Board on a regular, ongoing basis regarding the impact of the State budget. The District continues to monitor changes in enrollment and state funding levels during fiscal year 2020-21.

Business-type Funds

The assets and deferred outflows of resources in the Self-Insurance Fund exceeded liabilities by $29 million at June 30, 2021. The District uses these assets to provide for the claims and administration of its self-insured programs: worker's compensation, self-insured retention portion of property and liability, and vision and dental benefits. As of June 30, 2021, the incurred but not reported (IBNR) and reserve liabilities are fully funded for all the programs.

Beginning with the fiscal year 2007-08, the District also uses a Self-Insurance Fund to account for the accumulation of funds and payment of retiree benefits. With the implementation of GASB 75, the District's Net Other Post Employment Benefit (OPEB) Obligation as of June 30, 2021, is $103 million.

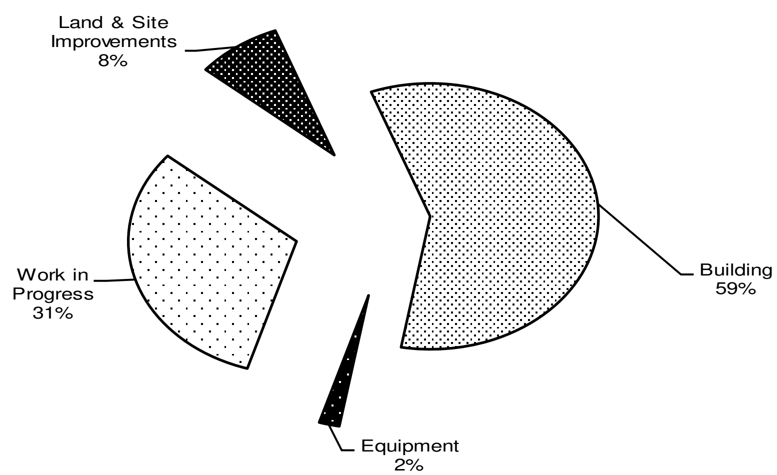
CAPITAL ASSET AND DEBT ADMINISTRATION

Table 4
Capital Assets
(net of depreciation)

	2020	2021	Percent Change
Land and Improvement of Sites	$ 45,287,117	$ 44,490,976	-1.76%
Building	325,814,449	318,451,986	-2.26%
Equipment	10,277,197	10,653,350	3.66%
Work in Progress	87,551,245	170,824,079	95.11%
Total Net Assets	$ 468,930,008	$ 544,420,391	16.10%

By June 30, 2021, the District has invested $544 million in a broad range of capital assets, including school buildings, buses, computers and copiers, and administrative offices. This amount represents a net increase of $75 million from last year. Figure 1 below graphically displays the percentage of capital assets by category.

Figure 1
Capital Assets
As of June 30, 2021



At June 30, 2021, the District has budgeted over $204 million for capital projects using the proceeds from the sale of bonds, Proposition 47 apportionments, one-time state discretionary funds, and developer fees. The amounts below represent the final projected budget for 2020-21 only and do not necessarily represent the total budget for the project as most projects span more than one fiscal year.

Table 5
Anticipated Projects

Project No.	Project	
8006	Parklane Property Imprvmnt	$ 41,000
8007	Lodi Hs Jive/Ups	294,000
8008	Mcnair Jive/Ups Project	341,000
8011	Oakwood Parking Lot	139,000
8015	Wagnoer Holt Jive System	45,000
8022	Playgrnd Imprv @ Silva	60,000
8030	Furniture, Fixtures & Equipment	1,000,000
8034	Ths Jive System	138,000
8035	Bchs Gas Retro-Fit Proj	160,000
8037	Liveoak Walkin Refrig-Freezer	43,000
8039	Jive & Ups Proj - Multi Sites	928,000
8040	Joe Serna Relocation	11,000
8041	Bchs Fire Alarm Upgrade	210,000
8043	Parklane Fire Alarm Upgrade	38,000
8044	Wagner Holt Fire Alarm Upgrade	74,000
8051	*Science Portable @ Lhs	1,000
8052	Prk Lot/Play Grnd Imprv @ Var	30,000
8053	Parklane Fire Alarm Upgrade	33,000
8054	Safety & Security	467,000
8056	Prkng Lot Sfty Imprv @ Westwd	513,000
8059	Bear Creek Jive System	8,000
8064	Live Oak Child Dev Playgroud	2,000
8069	Creekside Jive System	62,000
8078	Parklane Jive System	43,000
8079	Jaesc Fencing Project	300,000
8090	Lab Conversion @ Bchs	370,000
8091	Larson Relocatable Proj	216,000
8092	Future Elem Site I	2,646,000
8094	Live Oak Relocatable Proj	223,000
8103	Acampo Rd Kitchen Renovation	1,599,000
8118	Tokay Hs Athletic Fld Imprv	331,000
8145	19440 N. Jack Tone Rd	121,000
8154	Lms Relocatable Classroom	32,000
8200	Unused Budget	367,000
8206	Lhs Renovation Proj - Meas U	65,698,000
8207	Houston Modernization	1,315,000
8208	Lms Fire Alarm Upgrade	427,000
8210	Beckman Facilty Improvement	828,000
8212	Clairmont Elem - Mu	50,000
8213	Creekside Facility Imprv	163,000
8214	Davis Facility Imprv	789,000
8215	Elkhorn Facility Imprv	1,441,000
8216	Heritage Facility Imprv	909,000
8217	Needham Facility Imprv	18,785,000
8218	John Muir Elem - Mu	169,000
8219	Lhs Pool Project	13,674,000
8221	Lakewood Facility Imprv	570,000
8222	Larson Elem - Mu	120,000
8223	Lawrence Facility Imprv	346,000
8224	Live Oak Facility Imprv	579,000
8225	Lockeford Facility Imprv	325,000
8227	Nichols Facility Imprv	220,000
8228	Oakwood Elem - Mu	80,000
8229	Parklane Facility Imprv	1,266,000
8231	Reese Facility Imprv	169,000
8234	Turner Academy Facility Imprv	199,000
8235	Victor Facility Imprv	384,000
8236	Vinewood Facility Imprv	830,000
8237	Wagner Holt Elem - Mu	-
8238	Washington Facility Imprv	508,000
8239	Woodbridge Elem - Mu	-
8240	Mcauliffe Facility Imprv	261,000
8241	Delta Sierra Mid - Mu	168,000
8242	Henderson Facility Imprv	160,000
8243	Millswood Middle - Mu	-
8244	Morada Facility Imprv	294,000
8245	Liberty Facility Imprv	1,046,000
8246	Plaza Facility Imprv	418,000
8247	Tokay Hs New & Modernization	30,794,000
8248	Lincoln Tech - Mu	93,000
8249	Bear Creek Facility Improvement	131,000
8425	Dist Construction Proj	15,862,000
8426	Extension Rd Campus	505,000
8427	Crksid Prkng Lot Add'L Scope	294,000
8429	19 S. Central Ave	2,486,000
8452	Business Services Renovation	4,000
8460	Henderson Demoloition Proj	163,000
8858	Bchs Cte Ag Classroom	3,000
8866	Storm Drain Pump Stn @ Mcnair	1,021,000
8877	Live Oak Portables	233,000
8912	Live Oak Portables	28,000
8934	Sch Fac Impv Dist Safety	424,000
8937	*Mcnair Hs Athletic Fld Imprv	30,000
8940	Nutrition Service Center	4,000
8944	Lodi Hs Track	18,000
8957	Lhs Facility Renovations	300,000
8986	Bchs Ag Complex	175,000
8993	Maintenance Ops Fac-Guild	954,000
XXXX	Other Various Projects	27,396,000
	Total Anticipated	$ 203,997,000

At June 30, 2021, the District had $777 million in general obligation bonds and other long-term debt outstanding – an increase of $24 million from last year as shown in the following Table 6.

Table 6
Long-Term Debt

	2020	2021	Change
General Obligation Bonds	$ 301,028,318	$ 294,074,346	$ (6,953,972)
Certificates of Participation Payable	7,920,574	7,057,891	(862,683)
Capital Leases Payable	5,092,677	4,537,994	(554,683)
Claims Payable	12,085,132	7,221,370	(4,863,762)
Total OPEB Liability	77,782,961	102,908,147	25,125,186
Other loan			
Compensated Absences Payable	1,259,809	1,148,184	(111,625)
Net Pension Liability	348,493,967	360,215,747	11,721,780
Total	$ 753,663,438	$ 777,163,679	$ 23,500,241

Significant changes to long-term debt were as follows:

- Claims Payable decreased by $5 million due to the changes recognized during the measurement period based on the estimates of the ultimate cost of claims that have been reported but not settled, and of claims that have been incurred but not reported. Refer to Note 9 for further disclosures related to the Risk Management/Claim Liabilities.

- Total OPEB Liability increased by $25 million due to the changes recognized for the measurement period such as service cost, interest on total OPEB liability, assumption changes and benefit payments during the measurement period of the total OPEB liability (June 30, 2020). Refer to Note 12 for further disclosures related to the total OPEB liability.

- Net Pension Liability increased by $12 million primarily due to the changes in assumptions (i.e. lower investment rate of returns for both CalSTRS and CalPERS plans) and the District's increased in proportionate share of the liability for both plans. Refer to Note 11 for further disclosures related to the net pension liability.

FACTORS BEARING ON THE DISTRICT FUTURE

At the time these financial statements were prepared, factors affecting the District's future include:

- Funding for FY 2021-22 will be funded based on 2020-21 Average Daily Attendance (ADA).
- Continuous decline in student enrollment and funded (ADA)
- Increasing contributions to CalSTRS and CalPERS to cover projected liabilities for pension benefits earned to date.
- Continuous salary negotiations between the District and the collective bargaining groups.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact Mr. Leonard Kahn, Chief Business Officer, Lodi Unified School District, 1305 E. Vine, Lodi, CA 95240.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2021

	Governmental Activities
ASSETS	
Cash and equivalents	$ 425,249,398
Restricted cash and equivalents	3,266,147
Accounts receivable	50,216,387
Inventories	1,116,284
Prepaid items	89,635
Other current assets	2,500
Depreciable capital assets (net)	343,859,402
Nondepreciable capital assets	200,560,989
Total assets	1,024,360,742
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to pensions	77,864,200
Deferred outflows of resources related to OPEB	20,698,446
Deferred amount on debt refunding	1,861,852
Total deferred outflows of resources	100,424,498
LIABILITIES	
Accounts payable	52,704,752
Unearned revenue	4,763,239
Long-term liabilities, due within one year	26,108,983
Due in more than one year:	
Total OPEB liability	102,908,147
Net pension liability	360,215,747
Other long-term liabilities	287,930,802
Total liabilities	834,631,670
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	10,591,996
Deferred inflows of resources related to OPEB	3,939,557
Total deferred inflow of resources	14,531,553
NET POSITION	
Net investment in capital assets	314,076,024
Restricted for:	
Capital projects	104,947,563
Debt service	36,002,966
Educational programs	14,171,696
Student activities	1,977,580
Other purposes (expendable)	13,584,423
Unrestricted	(209,138,235)
Total net position	$ 275,622,017

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

Functions	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental Activities:				
Instruction	$ 259,488,745		$ 77,293,283	$ (182,195,462)
Instruction-related services:				
Instructional supervision and administration	13,649,430		6,774,417	(6,875,013)
Instructional library, media and technology	2,516,528		135,363	(2,381,165)
School site administration	23,712,316		1,486,781	(22,225,535)
Pupil services:				
Pupil transportation	5,870,799		251,698	(5,619,101)
Food services	17,368,365	$ 1,026,152	18,413,307	2,071,094
Other pupil services	24,072,436		9,600,446	(14,471,990)
Plant services	44,059,616	5,552,145	13,890,507	(24,616,964)
Ancillary services	2,346,413		522,325	(1,824,088)
Enterprise activities	187,932		169,383	(18,549)
General administration:				
Data processing services	16,305,534		9,212,031	(7,093,503)
Other general administration	14,720,070	1,309,013	3,730,759	(9,680,298)
Interest and other charges	9,679,704			(9,679,704)
Bond issuance costs	222,441			(222,441)
Other outgo	1,342,385		375,704	(966,681)
Totals	$ 435,542,714	$ 7,887,310	$ 141,856,004	(285,799,400)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	62,814,660
Taxes levied for debt service	25,333,444
Taxes levied for other specific purposes	1,008,821
Federal and state aid not restricted to specific purposes	233,579,640
Interest and investment earnings	252,617
Interagency revenues	282
Miscellaneous revenue	1,998,974
Total general revenues	324,988,438
Increase in net position	39,189,038
Net position, beginning of year	236,432,979
Net position - ending	$ 275,622,017

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

BALANCE SHEETS
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 126,309,906	$ 7,606,624	$ 88,302,101	$ 88,938,686	$ 311,157,317
Restricted cash and equivalents			3,266,101	46	3,266,147
Accounts receivable	45,371,842	2,971,384	88,952	1,119,518	49,551,696
Due from other funds	22,888	34,565		18,060,501	18,117,954
Inventories	42,934	1,073,350			1,116,284
Prepaid items	89,635				89,635
Other current assets		2,500			2,500
Total assets	$ 171,837,205	$ 11,688,423	$ 91,657,154	$ 108,118,751	$ 383,301,533
LIABILITIES					
Accounts payable	$ 33,286,339	$ 736,767	$ 11,716,644	$ 2,079,556	$ 47,819,306
Due to other funds	25,595,066	190		22,698	25,617,954
Unearned revenue	4,256,209	192,857		314,173	4,763,239
Total liabilities	63,137,614	929,814	11,716,644	2,416,427	78,200,499
FUND BALANCES					
Nonspendable for:					
Revolving cash	120,000				120,000
Inventories	42,934	1,073,350			1,116,284
Prepaid items	89,635				89,635
Restricted for:					
Instruction	11,065,141			3,106,555	14,171,696
Maintenance	3,899,164				3,899,164
Student Activities				1,977,580	1,977,580
Debt service				36,002,966	36,002,966
Capital projects			79,940,510	25,007,054	104,947,564
Food services		9,685,259			9,685,259
Committed for:					
Instruction				710,145	710,145
Assigned for:					
Instruction:					
Programmatic reserve	5,000,000				5,000,000
Special education	5,000,000				5,000,000
Instructional materials	5,000,000				5,000,000
Purchase order commitments	2,227,052				2,227,052
Future cost of benefits	2,000,000				2,000,000
Enrollment decline	37,539,379				37,539,379
Locally defined	12,682,844				12,682,844
Capital projects				28,156,931	28,156,931
Debt service				10,741,093	10,741,093
Unassigned	24,033,442				24,033,442
Total fund balances	108,699,591	10,758,609	79,940,510	105,702,324	305,101,034
Total liabilities, deferred inflow of resources and fund balances	$ 171,837,205	$ 11,688,423	$ 91,657,154	$ 108,118,751	$ 383,301,533

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET POSITION JUNE 30, 2021

Total fund balance, governmental funds	$ 305,101,034
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds. The historical cost of the capital assets is $750,641,837 and the accumulated depreciation is $206,221,446.	544,420,391
In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:	(4,542,164)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, discounts, are included in governmental activities in the statement of net position as follows:	
General obligation bonds	(294,074,346)
Certificates of participation	(7,057,891)
Capital leases payable	(4,537,994)
Compensated absences	(1,148,184)
Net pension liability	(360,215,747)
In governmental funds, deferred outflows and inflows of resources relating to pensions and refunding are not reported because they are applicable to future periods. In the statement of net position, deferred outflow and inflows of resources are reported as follows:	
Deferred outflows of resources related to pensions	77,864,200
Deferred outflows of resources resulting from deferred amount on refundings	1,861,852
Deferred inflows of resources related to pension	(10,591,996)
The District uses an internal service fund to charge the costs of certain activities to individual funds. The assets and liabilities of the internal service fund are reported with governmental activities in the statement of net position.	28,542,862
Total net position, governmental activities	$ 275,622,017

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Cafeteria Fund	Building Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
State apportionments	$ 229,705,458			$ 2,943,282	$ 232,648,740
Local sources	55,903,387			719,096	56,622,483
Total local control funding formula	285,608,845			3,662,378	289,271,223
Federal revenues	52,104,459	$ 17,640,602		3,724,998	73,470,059
Other state revenues	71,309,042	1,418,786		4,862,038	77,589,866
Other local revenues	3,841,652	1,176,496	$ (71,328)	32,629,227	37,576,047
Total revenues	412,863,998	20,235,884	(71,328)	44,878,641	477,907,195
EXPENDITURES					
Current:					
Instruction	238,557,222			6,481,953	245,039,175
Instruction-related services:					
Supervision of instruction	8,739,845			1,456,575	10,196,420
Administrative unit (AU) of multidistrict SELPA	2,941,222				2,941,222
Instructional library, media and tech	2,351,903			16,340	2,368,243
School site administration	22,424,343			373,471	22,797,814
Pupil services:					
Pupil transportation	5,059,873				5,059,873
Food services	687,708	15,779,078			16,466,786
Other pupil services	23,484,435			267,759	23,752,194
Ancillary services	1,771,059			536,350	2,307,409
Enterprise activities	179,700				179,700
General administration:					
Data processing services	16,318,014				16,318,014
Other general administration	16,874,974	799,476		517,041	18,191,491
Plant services	42,105,279	355,616	16,500	1,089,302	43,566,697
Debt service:					
Principal	47,546	3,732		17,318,405	17,369,683
Interest and other charges	8,080			11,356,144	11,364,224
Bond issuance costs			222,441		222,441
Capital outlay	900,537		82,110,604	2,588,484	85,599,625
Transfers to other agencies	549,582			792,803	1,342,385
Total expenditures	383,001,322	16,937,902	82,349,545	42,794,627	525,083,396
Excess (deficiency) of revenues over expenditures	29,862,676	3,297,982	(82,420,873)	2,084,014	(47,176,201)
OTHER FINANCING SOURCES (USES)					
Interfund transfers out	(17,556,047)				(17,556,047)
Proceeds from sale of bonds			10,000,000		10,000,000
Premium on bonds issued			60,000	754,663	814,663
Interfund transfers in				17,556,047	17,556,047
Total other financing sources (uses)	(17,556,047)		10,060,000	18,310,710	10,814,663
Increase (decrease) in fund balances	12,306,629	3,297,982	(72,360,873)	20,394,724	(36,361,538)
Fund balances - beginning	96,392,962	7,460,627	152,301,383	85,307,600	341,462,572
Fund balances - ending	$ 108,699,591	$ 10,758,609	$ 79,940,510	$ 105,702,324	$ 305,101,034

LODI UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds:	$ (36,361,538)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report outlays for capital assets as expenditures because such outlays use current financial resources. In contrast, the Statement of Activities reports only a portion of the outlay as expense. The outlay is allocated over the assets' estimated useful lives as depreciation expense for the period. This is the amount by which capital outlays ($88,051,355) exceeds depreciation expense ($12,549,599) in the period.	75,501,756
Loss on disposal of capital assets are reported as revenue in governmental funds. In the statement of activities only the resulting gain or loss is reported.	(11,373)
Repayment of the principal of long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.	17,369,683
Proceeds from debt and the related premium are recognized as Other Financing Sources in governmental funds. However, debt increases long-term liabilities in the statement of net position.	(10,814,662)
Changes in the liability for compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, compensated absences are recognized as expenses/revenues when earned by employees.	111,625
In governmental funds, unmatured interest on long-term debt is recognized in the period when it is due. However, in the statement of activities, unmatured interest on long-term debt is accrued at year end.	209,753
In government funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium or discount, or deferred gain or loss from debt refunding, for the period is:	1,474,762
In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual-basis pension costs and actual employer contributions was:	(13,611,278)
Internal service funds are used by management to charge the costs of certain activities, such as self insurance and retiree benefits, to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.	5,320,310
Change in net position of governmental activities	$ 39,189,038

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
PROPRIETARY FUND
JUNE 30, 2021

	Self-Insurance Fund
ASSETS	
Current assets:	
Cash and equivalents	$ 114,092,081
Accounts receivable	664,691
Due from other funds	7,500,000
Total assets	122,256,772
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources related to OPEB	20,698,446
LIABILITIES	
Current Liabilities:	
Accounts payable	343,282
Claims and judgments	2,928,155
Total current liabilities	3,271,437
Noncurrent Liabilities:	
Total OPEB obligation	102,908,147
Claims and judgments	4,293,215
Total noncurrent liabilities	107,201,362
Total liabilities	110,472,799
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to OPEB	3,939,557
NET POSITION	
Unrestricted	28,542,862
Total net position	$ 28,542,862

The accompanying notes are an integral part of these financial statements.

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021

	Self-Insurance Fund
OPERATING REVENUES	
Charges for services	$ 21,640,047
Other local revenue	203,369
Total operating revenue	21,843,416
OPERATING EXPENSES	
OPEB benefit expense	10,325,382
Claims and administration	6,289,180
Total operating expense	16,614,562
Operating gain	5,228,854
NON-OPERATING REVENUES	
Interest income	91,456
Increase in net position	5,320,310
Net position, beginning of year	23,222,552
Net position - ending	$ 28,542,862

LODI UNIFIED SCHOOL DISTRICT

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
YEAR ENDED JUNE 30, 2021

	Self-Insurance Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from interfund services provided	$ 19,402,181
OPEB benefit payments	(1,723,022)
Claims paid	(5,365,922)
Payments on behalf of employees	(140,934)
Payments to suppliers	(5,373,674)
Net cash and equivalents provided by operating activities	6,798,629
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	91,456
Net increase in cash and equivalents	6,890,085
Cash and equivalents – beginning of year	107,201,996
Cash and equivalents – end of year	$ 114,092,081
RECONCILIATION OF OPERATING GAIN TO CASH AND EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	
Operating gain	$ 5,228,854
Changes in operating assets and liabilities:	
Accounts receivable	59,286
Due from other funds	(2,500,000)
Accounts payable	272,412
Due to other funds	(521)
Total OPEB obligation and related deferred outflows	8,602,360
Claims and judgments	(4,863,762)
Net cash and equivalents provided by operating activities	$ 6,798,629

The accompanying notes are an integral part of these financial statements.

1. SIGNIFICANT ACCOUNTING POLICIES

A. ACCOUNTING POLICIES

The Lodi Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

B. REPORTING ENTITY

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has sponsored five charter schools: Aspire Vincent Shalvey Academy, Aspire River Oaks Charter School, Aspire Benjamin Holt College Preparatory Academy, Aspire Benjamin Holt Middle School and Rio Valley Charter School. In determining its reporting entity, the District considered whether these charter schools should be included. The District determined that these charter schools do not meet the above criteria primarily because Aspire Public Schools and Rio Valley Charter School have been established as non-profit public benefit corporations. The charter agreements specify that the District does not participate in the management or operation of these charter schools, and that the charter schools shall indemnify and hold harmless the District against all loss caused by the charter schools. In addition, Education Code Section 47604(c) specifies that a district shall not be liable for the debts or obligations of a charter school operated by a non-profit public benefit corporation.

The District and the Lodi Unified School District Capital Facilities Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of GASB for inclusion of the Corporation as a component unit of the District. The Corporation's board members are the same as the District's board members.

The Corporation is a non-profit public benefit corporation incorporated under the laws of the State of California on March 2, 1990. The Corporation was formed to provide financial assistance to the District for construction and acquisition of major capital facilities. The District occupies all Corporation facilities and is the sole lessee of all facilities owned by the Corporation. The District's lease payments are the sole revenue source of the Corporation.

For financial presentation purposes, the Corporation's financial activity has been blended with the financial data of the District. The financial statements present the Corporation's financial activity within the Special Reserve Fund for Capital Outlay and the Debt Service Fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

C. BASIS OF PRESENTATION

Government-wide financial statements – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government. Internal service fund activity is eliminated to avoid doubling revenues and expenses.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

Fund financial statements – Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column as other governmental funds. Internal service funds are combined and the totals are presented in a single column on the face of the proprietary fund statements.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a Balance Sheet, which generally includes only current assets and current liabilities, and a Statement of Revenues, Expenditures, and Changes in Fund Balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The Statement of Cash Flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of internal service funds are charges to other funds for employee self-insurance claims and post-employment benefit payments. Operating expenses of internal service funds include the costs of insurance premiums and claims related to self-insurance and post-employment benefits.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary funds use the accrual basis of accounting.

Revenues – Exchange and Non-exchange Transactions – Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value is recorded under the accrual basis when the exchange takes place. Under the modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 45, 60, or 90 days after year-end, depending on the revenue source. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to state aid apportionments, the California Department of Education has defined "available" as collectible within one year.

Non-exchange transactions are those in which the District receives value without directly giving equal value in return, including property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted, matching requirements, under which the District must provide local resources to be used for a specific purpose, and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized. Receivables associated with non-exchange transactions that will not be collected within the period of availability have been offset with unavailable revenue.

Unearned Revenue – Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are recorded as unearned revenue.

Expenses/Expenditures – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available for use, it is the District's policy to first apply the expenditure toward, restricted fund balance and then to other, less restrictive classifications - committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major, non-major, and internal service funds as follows:

Major Governmental Funds

The **General Fund** is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

The **Cafeteria Fund**, a special revenue fund, is used to account for revenues received and expenditures made to operate the District's cafeterias.

The **Building Fund**, a capital projects fund, is used to account for the acquisition of major governmental capital facilities and buildings from bond proceeds.

Non-Major Governmental Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes. The District maintains the following non-major special revenue funds:

The **Adult Education Fund** is used to account for resources committed to adult education programs maintained by the District.

The **Child Development Fund** is used to account revenues received and expenditures made to operate the District's child development programs.

The **Student Activity Fund** is used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported represent the combined totals of all schools within the District.

The **Charter School Fund** is used to account for revenues received and expenditures made to operate the District's Charter School(s).

The **Special Education Pass-Through Fund** is used by the Administrative Unit (AU) of a multi-LEA Special Education Local Plan Area (SELPA) to account for Special Education revenue pass-through to other member Local Education Agencies (LEAs).

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets. The District maintains the following non-major capital projects funds:

The **Special Reserve Fund for Capital Outlay** is used to account for various maintenance and capital outlay projects.

The **Capital Facilities Fund** is used to account for resources received from development impact fees assessed under provisions of the California Government Code.

The **County School Facilities Fund** is used to account for state apportionment provided for construction and reconstruction of school facilities under SB50.

The **Debt Service** funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and other debt related costs. The District maintains the following non-major debt service fund:

The **Debt Service Fund** is used for the accumulation of resources for and the retirement of principal and interest on long-term debt.

The **Bond Interest and Redemption Fund** is used to account for the accumulation of resources for, and the repayment of, District bonds, interest, and other debt related costs.

Internal Service Funds

Internal Service Funds are used to account for services rendered on a cost-reimbursement basis within the District. The District maintains two internal service funds. The **Self-Insurance Fund** is used to provide general and vehicle liability, workers' compensation, dental, and vision insurance coverage to its employees. The **Self-Insurance – OPEB Fund** is used to provide for retiree benefits.

F. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, with the exception of Debt Service Funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption.

These budgets are revised by the District's governing board and District superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the General Fund and Cafeteria Fund are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

G. CASH AND EQUIVALENTS

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

H. RESTRICTED CASH AND EQUIVALENTS

Cash and equivalents that are externally restricted per contractual obligations are classified as restricted cash and equivalents in the statement of net position and balance sheet based on anticipated use.

I. INVENTORIES AND PREPAID ITEMS

Inventories are recorded using the consumption method, in that the cost is recorded as an expenditure at the time individual inventory items are withdrawn from stores inventory for consumption. Inventories in the applicable funds consist primarily of expendable supplies held for consumption. Reported inventories are equally offset by a fund balance reserve, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets.

The District has the option of reporting expenditures for prepaid items in governmental funds either when paid or during the benefiting period. The District has chosen to report the expenditures during the benefiting period.

J. CAPITAL ASSETS

Capital assets are those equipment purchased or acquired with an original cost of $10,000 or more and are reported at historical cost or estimated historical cost. Facility projects that extend the life and value of a site or building and exceed $100,000 are reported as capital assets. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on a straight-line basis over the following estimated useful lives:

Asset Class	Years
Improvement of Sites	20
Buildings	50
Machinery and Equipment	5-20

K. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

The District’s deferred amount on debt refunding, resulting from the difference in the carrying value and reacquisition price of the refunded debt, is reported as deferred outflows of resources and is amortized over the shorter of the life of the refunded debt or refunding bond.

Contributions made to the District's pension and OPEB plan(s) after the measurement date but before the fiscal year-end are recorded as deferred outflows of resources and will reduce the net pension liability or total OPEB liability in the next fiscal year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and liabilities include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Note 11 for further details related to the pension deferred outflows and inflows. See Note 12 for details related to the OPEB deferred outflows and inflows.

L. PENSIONS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement Plan (the CalSTRS Plan), and classified employees are members of the Schools Pool (the CalPERS Plan), collectively referred to as the Plans. For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the District's portions of the Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by the Plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's (OPEB Plan) and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

N. COMPENSATED ABSENCES

Accumulated unpaid employee vacation benefits are recognized as liabilities of the District on the government-wide financial statements. Compensated absences are generally liquidated by the General Fund.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure in the period taken, since such benefits do not vest nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

O. FUND BALANCES

In the governmental fund financial statements fund balances are classified as follows:

Non-spendable – Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

Restricted – Funds that are mandated for specific purposes because the amounts are subject to externally imposed or legally enforceable constraints.

Committed – Funds set aside for specific purposes by the District's highest level of decision-making authority (Board of Education) pursuant to formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board of Education removes or changes the specific use through the same type of formal action taken to establish the commitment.

Assigned – Funds that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed. Resolution No. 2011-54 hereby delegates the authority to assign amounts to be used for specific purposes to the Chief Business Officer for the purpose of reporting these amounts in the financial statements.

Unassigned – The residual balance of the general fund that has not been assigned to other funds and that is not restricted, committed or assigned to a specific purpose.

Consistent with the Criteria and Standards for fiscal solvency adopted by the State Board of Education, the District maintains a Reserve for Economic Uncertainties to safeguard the District's financial stability. The responsibility to operate the District to maintain financial stability resides with the elected Board of Education. The minimum recommended reserve for a District of this size is a minimum of 3% of budgeted general fund expenditures and other financing uses. The District's standard policy is to maintain the reserve at 3%. As of June 30, 2021, the District had a Reserve for Economic Uncertainty of $12,016,721 in the General Fund's unassigned fund balance which represents 3.3% of budgeted general fund expenditures and other financing uses. The remaining unassigned balance consists of $12,016,721 as additional designations for potential deficit spending.

P. PROPERTY TAXES

Secured property taxes attach as an enforceable lien on property as of January 1, and are payable in two installments on November 15 and March 15. Unsecured property taxes are payable in one installment on or before August 31. The County of San Joaquin bills and collects the taxes for the District.

Q. LONG-TERM OBLIGATIONS

The District reports long-term obligations of governmental funds at face value in the government-wide financial statements. Long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements and the government-wide financial statements.

R. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual amounts could differ from those estimates.

S. FUTURE ACCOUNTING PRONOUNCEMENTS

In June 2017, the GASB issued Statement No. 87, *Leases*, amended by Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance* which extended the required implementation for the District to the year ending June 30, 2022. The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Management is in the process of evaluating the impact this statement will have on the District's future financial statements.

2. CHARTER SCHOOLS

The Lodi Unified School District operates the Joe Serna Charter School pursuant to Education Code Section 47605. The financial activities of the Joe Serna Charter School are presented in the Special Revenue Fund (See Note 1).

3. CASH AND EQUIVALENTS

The District's cash and equivalents as of June 30, 2021 are classified in the accompanying financial statements as follows:

Cash and equivalents	$ 425,249,398
Restricted cash and equivalents	3,266,147
Total cash and equivalents	$ 428,515,545

Cash and equivalents as of June 30, 2021, consist of the following:

Cash with financial institutions	$ 8,372,980
Cash and equivalents with County Treasury	415,998,225
Cash and equivalents with fiscal agents	4,144,340
Total cash and equivalents	$ 428,515,545

Restricted Cash and Equivalents

The District's restricted cash and equivalents are $3,266,147 at June 30, 2021. Included in this restricted balance is $3,266,101 for retention on construction projects and $46 for the repayment of the District's 2010 Series A and B Certificates of Participation.

Cash in County Treasury

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the San Joaquin County Treasury (the Treasury). The Treasury pools these funds with those of other districts in the county and invests the cash. The share of each fund in the pooled cash account is separately accounted for and interest earned is apportioned quarterly to funds that are legally required to receive interest based on the relationship of a fund's daily balance to the total of pooled cash and investments.

Participants' equity in the investment pool is determined by the dollar amount of the participant deposits, adjusted for withdrawals and distributed income. This method differs from the fair value method used to value investments in these financial statements in that unrealized gains or losses are not distributed to pool participants.

The Treasury is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et. seq., and is restricted by Government Code Section 53635, pursuant to Section 53601. The funds maintained by the Treasury are either secured by federal depository insurance or are collateralized.

The Treasury is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits; U.S. government securities; state registered warrants, notes, or bonds; the State Treasurer's investment pool; bankers' acceptances; commercial paper; negotiable certificates of deposit; and repurchase or reverse repurchase agreements.

Investments Authorized by the District's Investment Policy

The table below identifies the investment types authorized for the entity by the District's investment policy. This table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds or Notes	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Mortgage Pass through Securities	5 years	20%	None
Joint Power Agreements	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Funds (LAIF)	N/A	None	None

Derivative Investments

The District did not directly enter into any derivative investments. The county did not invest in any derivative products as of June 30, 2021.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair values to changes in market interest rates. As of June 30, 2021, the weighted average maturity of the investments contained in the treasury investment pool is approximately 484 days.

Credit Risks

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County Treasury investment pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Education Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository insurance limits held in accounts collateralized by securities held by the pledging financial institution were $10,361,240.

4. ACCOUNTS RECEIVABLE

Accounts receivable consisted of the following as of June 30, 2021:

	General Fund	Cafeteria Fund	Building Fund	Other Gov Funds	Self Insurance Fund	Total Funds
Federal government	$ 8,296,240	$ 2,658,812		$ 390,354		$ 11,345,406
State government	36,232,558	110,442		650,965		36,993,965
Local government	735,881	196,475		1,217	$ 567,701	1,501,274
Interest	107,163	5,655	$ 88,952	76,982	96,990	375,742
Totals	$ 45,371,842	$ 2,971,384	$ 88,952	$1,119,518	$ 664,691	$ 50,216,387

5. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related costs as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental or proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

Due from/Due to Other Funds

Individual interfund receivables and payables as of June 30, 2021 were as follows:

	Payable Fund			
Receivable Fund	**General Fund**	**Cafeteria Fund**	**Other Governmental Funds**	**Total Funds**
General Fund		$ 190	$ 22,698	$ 22,888
Cafeteria Fund	$ 34,565			34,565
Other Governmental Funds	18,060,501			18,060,501
Self Insurance	7,500,000			7,500,000
Total	$ 25,595,066	$ 190	$ 22,698	$ 25,617,954

Interfund receivables and payables are paid and cleared in the subsequent period.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving resources to funds through which the resources are to be expended.

Interfund transfers for the year ended June 30, 2021 were as follows:

	Transfers In
Transfers Out	**Other Governmental Funds**
General Fund	$ 17,556,047

For the fiscal year ended June 30, 2021, the significant and/or non-routine transfer was a transfer of $17,080,000 from the General Fund to the Special Reserve Fund for Capital Outlay Projects. This transfer was made to fund District construction projects.

6. CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2021 was as follows:

	Balance July 1, 2020	Additions	Deductions	Balance June 30, 2021
Capital assets, not being depreciated:				
Land	$ 29,736,910			$ 29,736,910
Construction in progress	87,551,245	$ 85,599,626	$ (2,326,792)	170,824,079
Total capital assets, not being depreciated	117,288,155	85,599,626	(2,326,792)	200,560,989
Capital assets, being depreciated:				
Improvement of sites	31,270,071	383,326		31,653,397
Buildings	472,057,488	1,918,545		473,976,033
Machinery and equipment	42,444,868	2,476,650	(470,100)	44,451,418
Total capital assets, being depreciated	545,772,427	4,778,521	(470,100)	550,080,848
Less accumulated depreciation for:				
Improvement of sites	(15,719,864)	(1,179,467)		(16,899,331)
Buildings	(146,243,039)	(9,281,008)		(155,524,047)
Machinery and equipment	(32,167,671)	(2,089,124)	458,727	(33,798,068)
Total accumulated depreciation	(194,130,574)	(12,549,599)	458,727	(206,221,446)
Total capital assets, being depreciated, net	351,641,853	(7,771,078)	(11,373)	343,859,402
Governmental activities capital assets, net	$ 468,930,008	$ 77,828,548	$ (2,338,165)	$ 544,420,391

For the year ended June 30, 2021, depreciation expense was charged to functions as follows:

Governmental activities:	
General	$ 10,448,981
Supervision of instruction	21,277
School site administration	177,190
Pupil transportation	811,994
Food services	324,037
Other general administration	275,083
Data processing services	222,259
Plant services	233,962
Ancillary services	31,431
Other pupil services	3,385
Total depreciation expense	$ 12,549,599

7. LONG-TERM LIABILITIES

General Obligation Bonds

On November 3, 2011, the District issued 2011 General Obligation Refunding Bonds in the amount of $42,190,000, with interest rates ranging from 2% to 5%, to currently refund the 2002 General Obligation Bonds 2002 Series. In December 2017, the District issued 2017 General Obligation Refunding Bonds in the amount of, $21,190,000, with interest rates ranging from 1.125% to 2.000%, to advanced refund $18,955,000 of the 2011 issue. As of June 30, 2021, the principal balance outstanding was $3,665,000.

On August 13, 2012, the District issued 2012 General Obligation Refunding Bonds in the amount of $44,930,000, with interest rates ranging from 2% to 5%, to advance refund $46,565,000 of the 2002 General Obligation Bonds 2004 Series. As of June 30, 2021, the principal balance outstanding was $32,660,000.

On May 20, 2015, the District issued 2015 General Obligation Refunding Bonds (2015 Issue) in the amount of $8,005,000, with interest rates ranging from 4.125% to 5%, to currently refund $7,695,000 of the 2006 Series of 2002 General Obligation Bonds (Defeased Bonds.) As of June 30, 2021, the 2016 Issue principal balance outstanding was $5,735,000.

On May 19, 2016, the District issued 2016 General Obligation Refunding Bonds (2016 Issue) in the amount of $34,900,000, with interest rates ranging from 1.35% to 5%, to advance refund $37,425,000 of the 2007 Issue (Defeased Bonds). As of June 30, 2021, the 2017 Issue principal balance outstanding was $29,110,000.

On May 10, 2017, the District issued 2017 General Obligation Bonds (2017 Issue) in the amount of $80,000,000, with interest rates ranging from 2.75% to 5%, to modernize, replace, renovate, construct, acquire and rebuild school facilities. As of June 30, 2021, the 2017 Issue principal balance outstanding was $55,160,000.

On December 21, 2017, the District issued 2017 General Obligation Refunding Bonds in the amount of, $21,190,000, with interest rates ranging from 1.125% to 2.000%, to advanced refund $18,955,000 of the 2011 General Obligation Refunding Bonds. As of June 30, 2021, the principal balance outstanding was $19,840,000.

On October 11, 2018, the District issued 2018 General Obligation Bonds in the amount of $9,000,000, maturing through August 2048 and bearing interest at rates ranging from 3.000% - 5.000%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds. As of June 30, 2021, the principal balance outstanding was $6,825,000.

On January 1, 2020, the District issued 2016 General Obligation Bonds (2020 Issue) in the amount of $110,000,000, maturing through August 2043 and bearing interest at rates ranging from 3.000% - 4.000%. The bonds were issued to modernize, replace, renovate, construct, and rebuild school facilities, including playgrounds and athletic fields; and pay costs of issuance of bonds. As of June 30, 2021, the principal balance outstanding was $110,000,000.

On October 27, 2020, the District issued 2020 General Obligation Bonds in the amount of $10,000,000, maturing through August 2033 and bearing interest at rates ranging from 2.000% - 4.000%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds. As of June 30, 2021, the principal balance outstanding was $10,000,000.

The bonds mature as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 18,700,000	$ 10,857,038	$ 29,557,038
2023	19,860,000	9,999,339	29,859,339
2024	13,935,000	9,217,606	23,152,606
2025	12,215,000	8,730,247	20,945,247
2026	13,235,000	8,243,763	21,478,763
2027-2031	57,855,000	34,038,936	91,893,936
2032-2036	43,470,000	22,439,600	65,909,600
2037-2041	50,315,000	13,171,329	63,486,329
2042-2046	41,925,000	2,873,561	44,798,561
2047-2049	1,485,000	150,095	1,635,095
Subtotal	272,995,000	119,721,514	392,716,514
Plus: Unamortized premium	21,079,346		21,079,346
Totals	$ 294,074,346	$ 119,721,514	$ 413,795,860

Certificates of Participation (COP)

In July of 2010, the District issued COPs, Series A & B “2010” in the amount of $5,575,000 for the construction, rehabilitation and repair of school facilities by the District as part of the Qualified School Construction Bonds (QSCBs). The COPs bear interest rates from 1.75% - 7.38% and are scheduled to mature through 2027. As of June 30, 2021, the principal balance was $2,190,000.

In September of 2003, the District issued COP totaling $10,985,000, with interest rates ranging from 2% to 5%. In January of 2014, the District issued Refunding Certificates of Participation totaling $8,165,000, with interest rates ranging from 4.25% to 5% to currently refund the September 2003 Issue. As of June 30, 2021, the principal balance was $4,875,000.

The certificates mature as follows:

Year Ending June 30,	Principal	Interest	Total
2022	$ 885,000	$ 328,200	$ 1,213,200
2023	915,000	285,306	1,200,306
2024	935,000	240,743	1,175,743
2025	970,000	194,853	1,164,853
2026	990,000	146,909	1,136,909
2027-2029	2,370,000	169,705	2,539,705
Subtotal	7,065,000	1,365,716	8,430,716
Less: Unamortized discount	(7,109)		(7,109)
Totals	$ 7,057,891	$ 1,365,716	$ 8,423,607

Capital Leases

In November 2010, the District entered in a Lease-Purchase Agreement of Energy Conservation Equipment of $9,915,000 as part of the 2010 Qualified Energy Conservation Project (Federally Taxable Direct Pay Tax Credit Bonds). The funds were used to install energy conservation equipment at various sites in the District. The District also leases various computers and equipment under agreements that provide for title to pass upon expiration of the lease period. The book value of these items at time of purchase was $11,202,964. Future minimum lease payments as of June 30, 2021 are as follows:

Year Ending June 30,	Lease Payments
2022	$ 829,692
2023	806,205
2024	809,465
2025	774,832
2026	768,941
Thereafter	1,532,051
Total	5,521,186
Less amount representing interest	(983,192)
Present value of net minimum lease payments	$ 4,537,994

The District will receive no sublease rental revenues nor pay any contingent rentals for this equipment.

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Balance June 30, 2020	Additions	Deductions	Balance June 30, 2021	Due Within One Year
General Obligation Bonds	$ 278,945,000	$ 10,000,000	$ (15,950,000)	$ 272,995,000	$ 18,700,000
Unamortized GOB Premium	22,083,318	814,662	(1,818,634)	21,079,346	1,876,740
Certificates of Participation	7,930,000		(865,000)	7,065,000	885,000
Unamortized COP Discount	(9,426)		2,317	(7,109)	(2,002)
Capital Leases	5,092,677		(554,683)	4,537,994	584,388
Claims Liability (Note 9)	12,085,132	502,160	(5,365,922)	7,221,370	2,928,155
Compensated Absences	1,259,809	2,119,268	(2,230,893)	1,148,184	1,136,702
Total	$ 327,386,510	$ 13,436,090	$ (26,782,815)	$ 314,039,785	$ 26,108,983

8. COMMITMENTS AND CONTINGENCIES

State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement would not be material.

Litigation

Various claims and litigation involving the District are currently outstanding. However, based on consultation with legal counsel, management believes that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

Commitments

The District has construction contracts and property acquisition commitments of approximately $41,758,678 at June 30, 2021. Bond and state funds have been approved for such construction.

9. RISK MANAGEMENT/CLAIMS LIABILITIES

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 year ended June 30, 2021, the District participated in three joint power agreements (JPAs) for purposes of pooling of risk related to property and liability and one JPA for worker's compensation. See "Joint Ventures" footnote for nature of participation.

The District is self-insured for workers' compensations claims for fiscal years through June 30, 2019 up to $1,000,000 per occurrence and purchased excess insurance for claims above $1,000,000, with a maximum of up to $10,000,000 per claim. In addition, the District is fully insured for dental care for all employees except classified. 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 has accrued a claims liability of $7,221,370 at June 30, 2021, 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 to 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 $2,928,155 of these liabilities will be incurred in the 2021-22 fiscal year.

Changes in claims liability for the years ended June 30, 2021 and 2020 are as follows:

	Liability Beginning of Year	Claims and Changes in Estimates	Claims Payments	Liability End of Year
2020-2021	$ 12,085,132	$ 502,160	$ (5,365,922)	$ 7,221,370
2019-2020	$ 12,744,319	$ 620,432	$ (1,279,619)	$ 12,085,132

10. JOINT VENTURES

The District participates in three JPAs, the Schools Association for Excess Risk (SAFER), Northern California Relief (NCR) and effective July 1, 2019, Protected Insurance Program for Schools Joint Powers Authority (P.I.P.S.). 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 and P.I.P.S. arranges worker's compensation insurance 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.

NATURE OF PARTICIPATION

Property

District Deductible:	$50,000
JPA's SIR:	$50,001 to $250,000 with NCR
Excess Insurance:	$250,001 to $250,000,000 per occurrence with SAFER

Liability

District Deductible:	$50,000
JPA's SIR:	$50,001 to $1,000,000 with NCR
Excess Insurance:	$1,000,001 to $10,000,000 with SAFER
	$10,000,001 to $25,000,000 with SAFER

Worker's Compensation

District Deductible:	$100,000
JPA's SIR:	$100,001 to $10,000,000 with P.I.P.S.
Excess Insurance:	$10,000,001 to $155,000,000 with P.I.P.S.

The condensed financial information of the JPAs is as follows:

	P.I.P.S. June 30, 2020	SAFER June 30, 2020	NCR June 30, 2020
Total Assets	$ 146,482,024	$ 38,625,474	$ 64,919,272
Total Liabilities	(104,409,659)	(36,969,875)	(48,689,344)
Net Position	$ 42,072,365	$ 1,655,599	$ 16,229,928
Total Revenues	$ 330,953,357	$ 99,122,689	$ 66,275,123
Total Expenses	(322,790,995)	(88,729,082)	(67,174,832)
Change in Net Position	$ 8,162,362	$ 10,393,607	$ (899,709)

Complete separate financial statements for the JPAs may be obtained at the District office at 1305 E. Vine Street, Lodi, CA 95240.

11. EMPLOYEE RETIREMENT SYSTEMS

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District participates in the State Teachers' Retirement Plan (the CalSTRS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalSTRS. CalSTRS acts as a common investment and administrative agent for participating public entities within the State of California. CalSTRS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calstrs.com.

Benefits Provided

The benefits for the CalSTRS Plan are established by contract, in accordance with the provisions of the State Teachers' Retirement Law. Benefits are based on members' years of service, age, final compensation, and a benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. The California Public Employees' Pension Reform Act of 2013 (PEPRA) made significant changes to the benefit structure that primarily affect members first hired to perform CalSTRS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalSTRS Plan has two benefit structures: 1) CalSTRS 2% at 60 – Members first hired on or before December 31, 2012, to perform CalSTRS creditable activities, and 2) CalSTRS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalSTRS creditable activities. The 2 percent, also known as the age factor, refers to the percentage of final compensation received as a retirement benefit for each year of service credit. To be eligible for 2% service retirement, members hired prior to January 1, 2013, must be at least age 60 with a minimum of five years of CalSTRS-credited service, while members hired after January 1, 2013, must be at least age 62 with five years of service.

Contributions

Assembly Bill 1469 (AB 1469), signed into law as a part of the State of California's (the State) 2014-15 budget, increases contributions to the CalSTRS Plan from members, employers, and the State over the next seven years, effective July 1, 2014. School employer contributions will increase from 8.25% to a total of 16.92% of covered payroll over the seven-year period. The District's required contribution rate for the year ended June 30, 2021, was 16.15% of annual pay. District contributions to the CalSTRS Plan were $25,990,245 for the year ended June 30, 2021.

The State contributes a percentage of the annual earnings of all members of the CalSTRS Plan. AB 1469 increases the State's contribution attributable to the benefits in effect in 1990, but does not change the base rate of 2.017%. In accordance with AB 1469, the portion of the state appropriation under Education Code Sections 22955(b) that is in addition to the base rate has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution increased from 1.437% in 2014-15 to 5.811% in 2020-21. The increased contributions end as of fiscal year end June 30, 2046. The State contribution rate for the period ended June 30, 2020, was 10.328% of the District's 2014-15 creditable CalSTRS compensation.

In addition to AB1469, California Senate Bill 90 (SB 90) signed June 27, 2019, appropriated from the State's General Fund $1,117,000,000 in contributions on-behalf of school employers for the 2019–20 fiscal year to be transferred to the CalSTRS Plan. California Assembly Bill 84, Chapter 16, Statutes of 2020, (AB 84) was signed into law June 29, 2020 and revised certain provisions of Teachers' Retirement Law enacted by SB 90. Specifically, AB 84 repurposed $1,600,000,000 originally allocated by SB 90 to the CalSTRS Defined Benefit Program to further supplant employer contributions through fiscal year 2021-22. SB 90 and AB 84 will appropriate contributions for the 2020-21 and 2021-22 fiscal years, such that it will result in school employers having to contribute 2.95 percentage points less than the statutory rate in the 2020-21 fiscal year and 2.18 percentage points less in the 2021-22 fiscal year, as specified.

Actuarial Assumptions

The total pension liability for the CalSTRS Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2019, and rolling forward the total pension liability to the measurement date of June 30, 2020. The financial reporting actuarial valuation used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.10%
Consumer Price Inflation	2.75%
Wage Growth	3.50%
Investment Rate of Return[1]	7.10%
Mortality	CalSTRS' Membership Data
Post-Retirement Benefit Increase	2% simple for DB (Annually) Maintain 85% purchasing power Level for DB Not applicable for DBS /CBB

[1] Net of investment expenses, but gross of administrative expenses.

Discount Rate

The discount rate used to measure the CalSTRS Plan's total pension liability was 7.10%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at statutory contribution rates in accordance with law as described above under contributions. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10%) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the CalSTRS Plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultant as an input to the process. The actuarial investment rate of return assumption was adopted by the board in January 2020 in conjunction with the most recent experience study. For each current and future valuation, CalSTRS consulting actuary reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2020, are summarized in the following table:

Asset Class	**Assumed Asset Allocation**	**Long-Term * Expected Real Rate of Return**
Global Equity	42.00%	4.80%
Fixed Income	12.00%	1.30%
Real Estate	15.00%	3.60%
Private Equity	13.00%	6.30%
Risk Mitigating Strategies	10.00%	1.80%
Inflation Sensitive	6.00%	3.30%
Cash / Liquidity	2.00%	-0.40%
Total	100.00%	

*20-year geometric average

California Public Employees' Retirement System (CalPERS)

Plan Description

The District participates in the Schools Pool (the CalPERS Plan), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. CalPERS issues a publicly available financial report that includes financial statements and required supplementary information for this plan. This report is available online at www.calpers.ca.gov.

Benefits Provided

The benefits for the CalPERS Plan are established by contract, in accordance with the provisions of the California Public Employees' Retirement Law (PERL). The benefits are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. PEPRA made significant changes to the benefit structure that primarily affect members first hired to perform CalPERS creditable activities on or after January 1, 2013. As a result of PEPRA, the CalPERS Plan has two benefit structures: 1) CalPERS 2% at 55 – Members first hired on or before December 31, 2012, to perform CalPERS creditable activities, and 2) CalPERS 2% at 62 – Members first hired on or after January 1, 2013, to perform CalPERS creditable activities. To be eligible for service retirement, members hired prior to January 1, 2013, must be at least age 50 with a minimum of five years of CalPERS-credited service, while members hired after January 1, 2013, must be at least age 52 with a minimum of five years of CalPERS-credited service.

Contributions

Section 20814(c) of the PERL requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the CalPERS Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The CalPERS Plan's actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District's required contribution rate for the year ended June 30, 2021, was 20.70% of annual pay. District contributions to the CalPERS Plan were $10,648,826 for the year ended June 30, 2021.

Actuarial Assumptions

For the measurement period ended June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019 total pension liability. The June 30, 2020 total pension liability amounts were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases(1)	Varies
Investment Rate of Return	7.15%
Mortality(2)	CalPERS' Membership Data
Post-Retirement Benefit Increase(3)	Up to 2.50%

(1) Varies by entry age and service

(2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, refer to the December 2017 CalPERS Experience Study Report (based on CalPERS demographic data from 1997 to 2015) that can be found on CalPERS website.

(3) 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The crossover test results can be found on CalPERS' website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class[a]	**New Strategic Allocation**	**Real Return Years 1 – 10**[b]	**Real Return Years 11+**[c]
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

[a] In the Plan's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

[b] An expected inflation of 2.00% was used for this period.

[c] An expected inflation of 2.92% was used for this period.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2021, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for the State's pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability:	
CalSTRS Plan	$ 251,963,400
CalPERS Plan	108,252,347
Total District net pension liability	360,215,747
State's proportionate share of CalSTRS net pension liability associated with the District	129,864,646
Total	$ 490,080,393

The District's net pension liability is measured as the proportionate share of each Plan's net pension liability. The net pension liabilities of the Plans are measured as of June 30, 2020, and calculated by reducing the total pension liability of each Plan by the respective Plan's fiduciary net position. The District's proportion of each Plan's net pension liability was based on the ratio of the District's actual employer contributions in the measurement period to the total actual employer and State contributions received by the respective Plan in the measurement period. The District's proportionate share of the net pension liability for the measurement period June 30, 2020, was .2600% and .3528% for the CalSTRS and CalPERS Plans, respectively, which was a decrease of 0.0060%, and 0.0186%, from its proportion measured as of June 30, 2019 for CalSTRS and CalPERS Plans, respectively.

For the measurement period ended June 30, 2020, the District recognized pension expense of $68,417,509 and revenue of $18,167,161 for support provided by the State. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,813,584	$ (7,105,800)
Changes in assumptions	24,966,966	
Changes in proportion	1,158,137	(3,486,196)
Change in proportionate share of contributions	1,047,772	
Net differences between projected and actual investment earnings of pension plan investments	8,238,670	
District contributions subsequent to measurement date	36,639,071	
Total	$ 77,864,200	$ (10,591,996)

The $36,639,071 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, 2022. Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2022	$ 5,186,704
2023	10,054,458
2024	10,872,121
2025	5,698,166
2026	(559,628)
Thereafter	(618,688)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability of the Plans as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate +1% (8.10%)
District's proportionate share of the CalSTRS Plan's net pension liability	$ 360,681,600	$ 251,963,400	$ 145,688,400

	Discount Rate –1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
District's proportionate share of the CalPERS Plan's net pension liability	$ 155,632,489	$ 108,252,347	$ 68,929,207

12. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Plan Description

In addition to the pension benefits described in Note 11, the District provides other postemployment health, dental, and vision care benefits for eligible retired employees through a single-employer defined benefit healthcare plan (the Plan). As of June 30, 2021, the District had not established an irrevocable trust or designated a trustee for the payment of plan benefits. As such, there are no assets accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

During the year ended June 30, 2021 the District paid benefits to retirees of $1,723,022 and transferred $5,412,335 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 postemployment benefits at some time in the future and thus do not qualify as contributions.

Benefits Provided

The District's benefits provided to retirees are established per contractual agreement, which vary among different collective bargaining agreements. The following is a description of the current retiree benefit plan.

	Management	Certificated	Classified and Supervisors	Confidential
Benefit types provided	Medical, dental and vision	Medical, dental and vision	Medical, dental and vision*	Medical, dental and vision
Duration of Benefits	Lifetime	To age 65	Option 1: 60 months, not beyond age 65 Option 2: 84 months** Option 3: 120 months but not beyond age 65	To age 65
Required Service	10 years	10 consecutive full-time years, at least Class D on salary schedule (Class B for LPPA)	20 years of continuous service at age 50 or 15 years at age 55	15 years of continuous service
Minimum Age	55	55	55	60***
Dependent Coverage	Yes	Yes	Yes	Yes
District Contribution	100% up to cap to 65; $2,000 per year beyond 65 if 10 years as administrator	100% to cap	100% to cap except option 3 is 50% of District cap	100% to cap
District Cap	$5,114 to 65	LEA: $8,845 LPPA: Applicable active cap	Active cap, less expensive rate for Option B	$5,114 to 65

*Option 2 receives medical benefits only.
**For supervisors, Option B cannot go beyond age 65
***Up to 3 Confidential retirees at a time may be covered between ages 55 and 60

Employees Covered

As of the June 30, 2019 actuarial valuation, the following Inactive and active employees were covered by the benefit terms under the OPEB Plan:

Inactive employees receiving benefits	498
Inactive employees entitled to but not receiving benefits	0
Participating active employees	3,176
Total	3,674

Total OPEB Liability

The District's total OPEB liability of $102,908,147 was measured as of June 30, 2020, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate (1)	2.20%
Inflation	2.75%
Salary Increases(2)	2.75%
Mortality - Classified(3)	CalPERS' Membership Data
Mortality - Certificated(4)	CalSTRS' Membership Data
Health care cost trend rates	4.00%

(1) Based on Bond Buyer 20 Bond Index.
(2) Since benefits do not depend on salary, using an aggregate payroll assumption for purposes of calculating the service costs results in negligible error.
(3) The mortality assumptions used are based on CalPERS Retiree Mortality for Miscellaneous Employees table created by CalPERS.
(4) The mortality assumptions are based on the 2009 CalSTRS Mortality table created by CalSTRS.

Changes in Assumptions

During the measurement period ended June 30, 2019, the discount rate was lowered from 3.50% to 2.20%.

Changes in the Total OPEB Liability

The changes in the Total OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability (TOL)
Balance at June 30, 2020 (Measurement date June 30, 2019)	$ 77,782,961
Changes recognized for the measurement period:	
Service cost	6,282,569
Interest on TOL	2,800,579
Assumption Changes	17,857,465
Differences between expected and actual experience	(99,734)
Benefit payments	(1,715,693)
Net changes	25,125,186
Balance at June 30, 2021 (Measurement date June 30, 2020)	$ 102,908,147

Sensitivity of the District's Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (1.20%)	Current Discount Rate (2.20%)	Discount Rate +1% (3.20%)
Total OPEB liability	$ 119,317,012	$ 102,908,147	$ 88,630,203

Sensitivity of the District's Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate –1% (3.00%)	Health Care Trend Rate (4.00%)	Discount Rate +1% (5.00%)
Total OPEB liability	$ 89,706,465	$ 102,908,147	$ 119,985,977

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss:

Net differences between projected and actual earnings on OPEB Trust investments	5 years
All other amounts	Expected average remaining service lives (EARSL) of plan participants

OPEB Expense and Deferred Outflows/Inflows Related to OPEB

For the year ended June 30, 2021, the District recognized OPEB expense of $10,325,382. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	$ 1,723,022	
Differences between expected and actual experience		$ (1,652,416)
Changes of assumptions	18,975,424	(2,287,141)
Total	$ 20,698,446	$ (3,939,557)

The $1,723,022 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2020 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as follows:

Year Ended June 30	
2022	$ 1,242,234
2023	1,242,234
2024	1,242,234
2025	1,242,234
2026	1,242,234
Thereafter	8,824,697

13. SUBSEQUENT EVENT

On July 8, 2021, the District issued 2021 General Obligation Bonds in the amount of $91,000,000, maturing through August 2043 and bearing interest at rates ranging from 2.000% - 4.000%. The bonds were issued to modernize, replace, renovate, construct, acquire and rebuild school facilities; and pay costs of issuance of bonds.

REQUIRED SUPPLEMENTARY INFORMATION

LODI UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
REVENUES				
State apportionments	$ 209,098,696	$ 230,920,927	$ 229,705,458	$ (1,215,469)
Local sources	51,650,542	54,688,474	55,903,387	1,214,913
Total local control funding formula	260,749,238	285,609,401	285,608,845	(556)
Federal revenues	25,149,959	90,987,852	52,104,459	(38,883,393)
Other state revenues	41,630,267	81,102,756	71,309,042	(9,793,714)
Other local revenues	998,550	2,032,327	3,841,652	1,809,325
Total revenues	328,528,014	459,732,336	412,863,998	(46,868,338)
EXPENDITURES				
Certificated personnel salaries	145,723,987	158,691,295	162,192,395	(3,501,100)
Classified personnel salaries	53,160,697	62,466,945	52,910,378	9,556,567
Employee benefits	88,804,023	93,163,268	82,266,624	10,896,644
Books and supplies	16,779,594	73,676,641	36,287,573	37,389,068
Services and other operating expenditures	44,035,885	85,100,673	46,888,123	38,212,550
Capital outlay	1,489,874	4,117,707	2,925,519	1,192,188
Other outgo	540,026	583,929	549,582	34,347
Allocation of indirect costs	(1,199,338)	(1,356,739)	(1,074,498)	(282,241)
Debt service	513,333	550,694	55,626	495,068
Total expenditures	349,848,081	476,994,413	383,001,322	93,993,091
Excess (shortfall) of revenues over expenditures	(21,320,067)	(17,262,077)	29,862,676	47,124,753
OTHER FINANCING SOURCES (USES)				
Interfund transfers out	(1,203,468)	(17,509,477)	(17,556,047)	(46,570)
Total other financing uses	(1,203,468)	(17,509,477)	(17,556,047)	(46,570)
Net increase (decrease) in fund balance	(22,523,535)	(34,771,554)	12,306,629	47,078,183
Fund balance – beginning	96,392,962	96,392,962	96,392,962	
Fund balance – ending	$ 73,869,427	$ 61,621,408	$ 108,699,591	$ 47,078,183

LODI UNIFIED SCHOOL DISTRICT

BUDGETARY COMPARISON SCHEDULE
CAFETERIA SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final	GAAP Basis	Favorable (Unfavorable)
REVENUES				
Federal revenues	$ 15,989,645	$ 18,614,601	$ 17,640,602	$ (973,999)
Other state revenues	951,791	1,385,251	1,418,786	33,535
Other local revenues	3,886,942	991,939	1,176,496	184,557
Total revenues	20,828,378	20,991,791	20,235,884	(755,907)
EXPENDITURES				
Classified personnel salaries	6,688,946	6,688,946	6,103,731	585,215
Employee benefits	3,772,451	3,772,451	2,475,303	1,297,148
Books and supplies	8,707,800	9,277,055	7,103,848	2,173,207
Services and other operating expenditures	570,934	558,179	377,532	180,647
Capital outlay	221,500	221,500	74,280	147,220
Allocation of indirect costs	983,632	1,009,201	799,476	209,725
Debt service			3,732	(3,732)
Total expenditures	20,945,263	21,527,332	16,937,902	4,589,430
Excess (deficiency) of revenues over expenditures	(116,885)	(535,541)	3,297,982	3,833,523
Fund balance – beginning	7,460,627	7,460,627	7,460,627	
Fund balance – ending	$ 7,343,742	$ 6,925,086	$ 10,758,609	$ 3,833,523

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

	Fiscal Year			
	2021	**2020**	**2019**	**2018**
	Measurement date 2020	**Measurement date 2019**	**Measurement date 2018**	**Measurement date 2017**
TOTAL OPEB LIABILITY				
Service cost	$ 6,282,569	$ 5,052,077	$ 5,266,056	$ 5,125,115
Interest	2,800,579	2,754,687	2,618,144	2,193,637
Changes in benefit terms				
Differences between expected and actual experience	(99,734)	(2,426,790)		
Changes of assumptions	17,857,465	3,031,617	(3,103,981)	
Benefit payments	(1,715,693)	(1,188,724)	(971,268)	(1,501,729)
NET CHANGE IN TOTAL OPEB LIABILITY	25,125,186	7,222,867	3,808,951	5,817,023
TOTAL OPEB LIABILITY, Beginning	77,782,961	70,560,094	66,751,143	60,934,120
TOTAL OPEB LIABILITY, Ending	$ 102,908,147	$ 77,782,961	$ 70,560,094	$ 66,751,143
Covered-employee payroll	$ 227,246,959	$ 205,390,911	$ 197,512,341	$ 188,614,088
District's total OPEB liability as a percentage of covered-employee payroll	45%	38%	36%	35%

Notes to Schedule:

There were no changes to benefit terms during the measurement periods ended June 30, 2020, 2019, 2018 and 2017. For the measurement periods ended June 30, 2020 and 2019 the interest assumption decreased from 3.5% to 2.20% and 3.8% to 3.5%, respectively. For the measurement period ended June 30, 2018, the interest assumption increased from 3.5% to 3.8%. There were no changes to the interest assumption during the measurement period ended June 30, 2017.

The District has not accumulated assets in a trust to pay related OPEB benefits.

* Fiscal year 2018 was the 1st year of implementation, therefore only four years are presented.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

CalSTRS Plan

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Measurement date 2020	**Measurement date 2019**	**Measurement date 2018**	**Measurement date 2017**	**Measurement date 2016**	**Measurement date 2015**	**Measurement date 2014**
District's proportion of the net pension liability	0.260%	0.266%	0.260%	0.244%	0.269%	0.258%	0.252%
District's proportionate share of the net pension liability	$ 251,963,400	$ 240,240,560	$ 238,958,200	$ 225,651,200	$ 217,569,890	$ 173,695,920	$ 147,261,240
State's proportionate share of the net pension liability associated with the District	129,864,646	130,832,047	136,741,658	133,691,958	124,040,571	91,895,311	88,989,303
Total	$ 381,828,046	$	$	$	$	$	$
District's covered-employee payroll	$ 143,394,826	$ 145,117,585	$ 140,118,151	$ 131,489,564	$ 130,333,231	$ 124,375,645	$ 114,500,629
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	176%	166%	171%	172%	167%	140%	129%
	371,072,607	375,699,858	359,343,158	341,610,461	265,591,231	236,250,543	
Plan fiduciary net position as a percentage of the total pension liability	72%	73%	71%	69%	70%	74%	77%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2020, 2019, 2018, 2016, 2015 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the consumer price inflation changed from 3.00% to 2.75%, investment rate of return changed from 7.60% to 7.10% and wage growth changed from 3.75% to 3.50%.

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

CalPERS Plan

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
	Measurement date 2020	**Measurement date 2019**	**Measurement date 2018**	**Measurement date 2017**	**Measurement date 2016**	**Measurement date 2015**	**Measurement date 2014**
District's proportion of the net pension liability	0.3528%	0.3714%	0.3716%	0.3678%	0.3827%	0.3896%	0.3838%
District's proportionate share of the net pension liability	$ 108,252,347	$ 108,253,407	$ 99,077,592	$ 87,798,793	$ 75,583,487	$ 57,427,425	$ 43,570,645
District's covered-employee payroll	$ 50,962,159	$ 51,692,243	$ 50,361,691	$ 47,013,324	$ 46,113,845	$ 43,217,793	$ 40,354,159
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	212%	209%	197%	187%	164%	133%	108%
Plan fiduciary net position as a percentage of the total pension liability	70%	70%	71%	72%	74%	79%	83%

Notes to Schedule:

Change of benefit terms – For the measurement date ended June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014, there were no changes to the benefit terms.

Changes in assumptions – For the measurement date ended June 30, 2015, the discount rate changed from 7.50% (net of administrative expenses in 2014) to 7.65% to correct an adjustment which previously reduced the discount rate for administrative expenses. For the measurement dates ended June 30, 2020, 2019, 2016 and 2014, there were no changes in assumptions. For the measurement date ended June 30, 2017, the discount rate changed from 7.65% to 7.15%. For the measurement date ended June 30, 2018, the demographic assumptions and inflation rates were changed. The inflation rate was lowered from 2.75% to 2.50%.

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

CalSTRS Plan

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 25,990,245	$ 24,534,963	$ 23,556,256	$ 19,989,000	$ 16,849,633	$ 14,007,563	$ 11,101,972
Contributions in relation to the contractually required contributions	(25,990,245)	(24,534,963)	(23,556,256)	(19,989,000)	(16,849,633)	(14,007,563)	(11,101,972)
Contribution deficiency (excess)	$	$	$	$	$	$	$
District's covered-employee payroll	$ 146,961,482	$ 143,394,826	$ 145,117,585	$ 140,118,151	$ 131,489,564	$ 130,333,231	$ 124,375,645
Contributions as a percentage of covered-employee payroll	17.69%	17.11%	16.23%	14.27%	12.81%	10.75%	8.93%

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS
YEAR ENDED JUNE 30, 2021
LAST 10 YEARS*

CalPERS Plan

	Fiscal Year						
	2021	**2020**	**2019**	**2018**	**2017**	**2016**	**2015**
Contractually required contribution (actuarially determined)	$ 10,648,826	$ 10,072,372	$ 9,483,820	$ 7,950,426	$ 6,551,438	$ 5,466,734	$ 5,077,414
Contributions in relation to the contractually required contributions	(10,648,826)						
Contribution deficiency (excess)	$	$	$	$	$	$	$
District's covered-employee payroll	$ 49,869,383	$ 50,962,159	$ 51,692,243	$ 50,361,691	$ 47,013,324	$ 46,113,845	$ 43,217,793
Contributions as a percentage of covered-employee payroll	(10,072,372) 21.35%	(9,483,820) 19.76%	(7,950,426) 18.35%	(6,551,438) 15.79%	(5,466,734) 13.94%	(5,077,414) 11.85%	11.75%

* Fiscal year 2015 was the 1st year of implementation, therefore only seven years are shown.

SUPPLEMENTARY INFORMATION SECTION

LODI UNIFIED SCHOOL DISTRICT

ORGANIZATION
JUNE 30, 2021

The Lodi Unified School District was established on July 1, 1967, and comprises an area located in San Joaquin County. There were no changes in the boundaries of the District during the current year. 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 three schools for grades K-8), five middle schools (for grades 7-8), four comprehensive high schools (for grades 9-12), one early college high school, two continuation high schools, two alternative schools of choice for grades 7-8 and one for grades 7-12, two independent study schools for grades K-12, one charter school for grades K-8, preschool programs, and an adult education program. The District also has five independent charter schools.

GOVERNING BOARD

Name	Office	Term Expires
Mr. Ron Freitas	President	2024
Mrs. Susan Macfarlane	Vice President	2022
Mr. Courtney Porter	Clerk	2022
Mr. Ron Heberle	Member	2022
Mr. George Neely	Member	2022
Mr. Joe Nava	Member	2024
Mr. Gary Knackstedt	Member	2024

ADMINISTRATION

Dr. Cathy Nichols-Washer
Superintendent

Mr. Leonard Kahn
Chief Business Officer

Mr. Mike McKilligan
Assistant Superintendent/Personnel

Mr. Neil Young
Assistant Superintendent/Elementary Education

Mr. Scott McGregor
Assistant Superintendent/Secondary Education

Dr. Robert Sahli
Assistant Superintendent/Curriculum-Instruction-Assessment

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
YEAR ENDED JUNE 30, 2021

Charter School	Charter School Number	Date Established	Included/ Not Included
Aspire Public Schools – River Oaks Charter School	0364	8/15/2000	Not Included
Aspire Public Schools – Aspire Vincent Shalvey Academy	0178	1/19/1999	Not Included
Aspire Public Schools – Benjamin Holt College Prep Academy	0565	3/4/2003	Not Included
Rio Valley Charter School	1229	4/16/2010	Not Included
Aspire Public Schools – Benjamin Holt Middle School	1782	8/1/2016	Not Included
Joe Serna Jr. Charter School	0288	1/18/2000	Included

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2021

DISTRICT

Grade Level	Number of Instructional Days Offered	Required Number of Instructional Days	Status
Kindergarten	180	180	In Compliance
Grades 1	180	180	In Compliance
Grades 2	180	180	In Compliance
Grades 3	180	180	In Compliance
Grades 4	180	180	In Compliance
Grades 5	180	180	In Compliance
Grades 6	180	180	In Compliance
Grades 7	180	180	In Compliance
Grades 8	180	180	In Compliance
Grades 9	180	180	In Compliance
Grades 10	180	180	In Compliance
Grades 11	180	180	In Compliance
Grades 12	180	180	In Compliance

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
YEAR ENDED JUNE 30, 2021

JOE SERNA JR. CHARTER SCHOOL

Grade Level	Number of Instructional Days Offered	Required Number of Instructional Days	Status
Kindergarten	180	175	In Compliance
Grades 1	180	175	In Compliance
Grades 2	180	175	In Compliance
Grades 3	180	175	In Compliance
Grades 4	180	175	In Compliance
Grades 5	180	175	In Compliance
Grades 6	180	175	In Compliance
Grades 7	180	175	In Compliance
Grades 8	180	175	In Compliance

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
YEAR ENDED JUNE 30, 2021

GENERAL FUND

	June Adopted Budget 2022	2021	2020	2019
Revenues and other financial sources	$ 368,510,992	$ 412,863,998	$ 373,244,758	$ 369,819,432
Expenditures	358,471,640	383,001,322	336,898,626	344,344,927
Other uses and transfers out	487,404	17,556,047	5,481,075	23,954,356
Total outgo	358,959,044	400,557,369	342,379,701	368,299,283
Change in fund balance	9,551,948	12,306,629	30,865,057	1,520,149
Ending fund balance	$ 118,251,539	$ 108,699,591	$ 96,392,962	$ 65,527,905
Available reserves[(1)]	$ 24,033,442	$ 24,033,442	$ 22,700,000	$ 21,088,000
Designated for economic uncertainties	$ 10,768,771	$ 12,016,721	$ 11,350,000	$ 10,540,000
Unassigned fund balance	$ 13,264,671	$ 12,016,721	$ 11,350,000	$ 10,540,000
Available reserves as a percentage of total outgo	6.7%	6.0%	6.6%	5.7%
Total long-term debt	$ 751,054,696	$ 777,163,679	$ 753,663,438	$ 633,648,975
Average daily attendance at P-2[2]	25,563	26,624	26,627	27,114

(1) Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

(2) Excludes County Community Schools ADA.

The General Fund balance has increased by $43,171,686 over the past two years. The fiscal year 2021-22 budget projects an increase of $9,551,948. For a district this size, the state recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has not incurred operating deficits in the past three years, and does not anticipate generating an operating deficit during the 2021-22 fiscal year. Total long-term debt has increased by $143,514,704 over the past two years.

Average daily attendance has decreased by 490 over the past two years. ADA is anticipated to decrease by 1,061 during fiscal year 2021-22.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	PCA Number	Federal Expenditures
U.S. Department of Agriculture:			
Passed-Through California Department of Education (CDE):			
Child Nutrition Cluster:			
Child Nutrition: School Programs	10.555	13391	$ 5,514,978
Child Nutrition (School Breakfast Basic and Especially Needy)	10.553	N/A	2,741,441
Child Nutrition: School Programs - Commodities	10.555	N/A	2,374,393
Subtotal Child Nutrition Cluster			10,630,812
Child and Adult Care Food Program:			
Child Nutrition: CACFP Claims	10.558	13666	6,511,643
Child Nutrition: CCFP Cash in Lieu of Commodities	10.558	13389	356,930
Subtotal Child and Adult Care Food Program			6,868,573
Child Nutrition: Fresh Fruit and Vegetable Program	10.582	14968	115,718
Healthier US School Challenge: Smarter Lunchrooms	10.543	14906	25,500
Total U.S. Department of Agriculture			17,640,603
U.S. Department of Education:			
Passed-Through California Department of Rehabilitation:			
WorkAbility II, Transition Partnership	84.126A	10006	1,083,595
Passed-Through CDE:			
Title IV, Part A, Student Support and Academic Enrichment Grant Program	84.424	15396	807,917
Voc & Applied Tech Secondary II C, Sec 131 (Carl Perkins Act)	84.048	13924	272,357
IDEA Early Intervention Grants	84.181	23761	75,117
Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	812,311
Title III, Limited English Proficient (LEP) Student Program	84.365	14346	452,796
Title I Basic Grants Low Income & Neg.	84.010	14329	8,965,547
Education Stabilization Fund (ESF):			
COVID-19 Governor's Emergency Education Relief Fund (GEER)	84.425C	15517	1,603,421
COVID-19 Elementary and Secondary School Emergency Relief Fund (ESSER)	84.425D	15536	4,780,406
COVID-19 Elementary and Secondary School Emergency Relief II Fund (ESSER II)	84.425D	15547	4,009,357
Subtotal Education Stabilization Fund (ESF)			10,393,184

See the accompanying notes to supplementary information.

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title	Assistance Listing Number	PCA Number	Federal Expenditures
Special Education Cluster (IDEA):			
IDEA Basic Local Assistance Entitlement, Part B, Section 611	84.027	13379	4,803,679
IDEA Local Assistance, Part B, Sec 611, Private School ISPs	84.027	10115	29,185
IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	115,274
Special Ed: IDEA Mental Health Services, Part B, Sec 611	84.027A	14468	321,835
IDEA Preschool Staff Development, Part B, Sec 619	84.173A	13431	1,115
Special Ed IDEA 619 Preschool Early	84.173	N/A	4,022
Special Ed: IDEA 611 Early Intervention	84.027	10119	223,605
Subtotal Special Education Cluster (IDEA)			5,498,715
Total U.S. Department of Education			28,361,539
U.S. Treasury			
Passed-Through CDE:			
COVID-19 Coronavirus Relief Fund (CRF)	21.019	25516	23,559,830
Total U.S. Treasury			23,559,830
U.S. Department of Health and Human Services:			
Passed-Through CDE:			
COVID-19 Child Development: Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act CCDF Cluster	93.575	15555	42,998
Passed-Through California Department of Health Services:			
Head Start Cluster	93.600	10016	2,902,948
COVID-19 Supplemental Head Start Cluster	93.600	10016	217,604
Subtotal Head Start Cluster			3,120,552
Medi-Cal Option Billing Cluster	93.778	10013	443,153
Total U.S. Department of Health and Human Services			3,606,703
Total Expenditures of Federal Awards			$ 73,168,675

See the accompanying notes to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FUND FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2021

AUDITOR'S COMMENTS

All fund balances agreed to the unaudited actuals.

1. PURPOSE OF SCHEDULES

A. SCHEDULE OF CHARTER SCHOOLS

This schedule lists all charter schools chartered by the District and displays information for each charter school on whether or not it is included in the District's financial statements.

B. SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents data as to whether the District complied with the provisions of article 8 (commencing with section 46200) of chapter 2 of part 26 of the Education Code by grade level.

C. SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

This schedule discloses the District's financial trends by displaying past years' data along with current year budget information. These financial trend disclosures are used to evaluate the District's ability to continue as a going concern for a reasonable period of time.

D. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The audit of the District for the year ended June 30, 2021, was conducted in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), which requires disclosure of the financial activities of all federally funded programs. To comply with Uniform Guidance, the Schedule of Expenditures of Federal Awards was prepared by the District.

General – The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the District. The District reporting entity is defined in Note 1 to the District's basic financial statements.

Basis of Accounting – The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the District's basic financial statements.

Indirect Cost Rate – The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance

Subrecipients – The District did not provide federal awards to subrecipients during the year ended June 30, 2021.

E. RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT (UNAUDITED ACTUALS) WITH AUDITED FINANCIAL STATEMENTS

This schedule provides the information necessary to reconcile the fund equity of all funds as reported on the unaudited actuals to the audited fund financial statements.

OTHER INDEPENDENT AUDITOR'S REPORTS

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Education
Lodi Unified School District
Lodi, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Lodi Unified School District (the District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated November 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

November 22, 2021

REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Independent Auditor's Report

Board of Education
Lodi Unified School District
Lodi, California

Report on Compliance for Each Major Federal Program

We have audited Lodi Unified School District's (the District) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Audit Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

November 22, 2021

GILBERT
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REPORT ON COMPLIANCE WITH APPLICABLE REQUIREMENTS IN ACCORDANCE WITH 2020-21 GUIDE FOR ANNUAL AUDITS OF K-12 LOCAL EDUCATION AGENCIES AND STATE COMPLIANCE REPORTING

Independent Auditor's Report

Board of Education
Lodi Unified School District
Lodi, California

Report on State Compliance

We have audited the Lodi Unified School District's (the District) compliance with the types of compliance requirements described in the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* applicable to the District's programs identified in the below schedule for the school year ended June 30, 2021.

Management's Responsibility

Management is responsible for compliance with the state statutes, regulations and terms and conditions of its state awards applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the District's state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*, published by the Education Audit Appeals Panel. Those standards and the *2020-21 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on the programs identified in the below schedule occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary under the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination on the District's compliance with those requirements.

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In connection with the requirements referred to above, we selected and tested transactions and records to determine the District's compliance with the applicable programs identified below:

Compliance Requirements	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance and Distance Learning	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes
K-3 Grade Span Adjustment	Yes
Apprenticeship: Related and Supplemental Instruction	Not Applicable
Comprehensive School Safety Plan	Yes
District of Choice	Not Applicable
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
CHARTER SCHOOLS	
Independent Study-Course Based	Not Applicable
Attendance	Yes
Mode of Instruction	Yes
Non-classroom-Based Instruction/Independent Study	Not Applicable
Determination of Funding for Non-classroom-Based Instruction	Not Applicable
Charter School Facility Grant Program	Not Applicable

Opinion on State Compliance

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the programs identified in the above schedule for the year ended June 30, 2021.

Gilbert CPAs

GILBERT CPAs
Sacramento, California

November 22, 2021

FINDINGS AND RECOMMENDATIONS SECTION

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	____Yes	X No
Significant deficiency(ies) identified?	____Yes	X None reported
Noncompliance material to financial statements noted?	____Yes	X No

Federal Awards

Internal control over major programs:		
Material weakness(es) identified?	____Yes	X No
Significant deficiency(ies) identified?	____Yes	X None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	____Yes	X No

Identification of major programs

Assistance Listing Numbers	Name of Federal Program or Cluster
84,027, 84.027A, 84.173, 84.173A	Special Education Cluster
21.019	COVID-19 Coronavirus Relief Fund
84.425C, 84.425D	COVID-19 Education Stabilization Fund

Dollar threshold used to distinguish between Type A and Type B programs:	$ 2,195,060	
Auditee qualified as low-risk auditee?	X Yes	____No

State Awards

Internal control over State programs:		
Material weakness(es) identified?	____Yes	X No
Significant deficiency(ies) identified?	____Yes	X None Reported
Any audit findings disclosed that are required to be reported in accordance with Audits of California K-12 Local Education Agencies?	____Yes	X No
Type of auditor's report issued on compliance for state programs:	Unmodified	

LODI UNIFIED SCHOOL DISTRICT

SCHEDULE OF AUDIT FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

FINANCIAL STATEMENT

There were no financial statement findings reported.

STATE COMPLIANCE

There were no state compliance findings reported.

FEDERAL COMPLIANCE

There were no federal compliance findings reported.

STATUS OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2021

STATUS OF PRIOR YEAR FINDINGS AND RECOMMENDATIONS

There were no prior year findings and recommendations.

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 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.

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.

Calendar Year	City of Lodi	City of Stockton	County of San Joaquin	State of California
2018	66,389	315,099	752,958	39,519,535
2019	67,430	317,356	764,373	39,605,361
2020	68,011	319,188	773,505	39,648,938
2021	68,751	320,876	783,534	39,466,855
2022	66,570	322,489	784,298	39,185,605

Source: *State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, for 2011-2021: 2010 Census Benchmark. Sacramento, California, May 2021; for 2022: 2020 Census Benchmark. Sacramento, California, May 2022.*

Transportation

State Route 99 and U.S. Interstate Highway 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, 2021, are shown below.

CITY OF LODI
Major Employers
Fiscal Year Ending June 30, 2021

Employer	Number of Employees	Percent of Total City Employment
Lodi Unified School District	1,389	4.63%
Pacific Coast Producers	1,298	4.33
Adventist Health Lodi Memorial*	1,204	4.01
Blue Shield of CA	1,042	3.47
Walmart Supercenter	439	1.46
City of Lodi	415	1.38
Rich Products fka as Cottage Bakery	276	0.92
Costco Wholesale	265	0.88
Frank C Alegre Trucking Inc.	210	0.70
Farmers & Merchant Bank	191	0.64
Total	6,729	22.42%

Note: Principal employers are based on best available information.
*Count includes FTE, PTE, Temporary & Seasonal Employees.
Source*: City of Lodi, Annual Comprehensive Financial Report for year ended June 30, 2021.*

CITY OF STOCKTON
Major Employers
Fiscal Year Ending June 30, 2021

Employer	Number of Employees	Percent of Total City Employment
Stockton Unified School District	5,205	3.99%
St. Joseph's Medical Center	4,600	3.53
Amazon	2,100	1.61
City of Stockton	2,099	1.61
San Joaquin County	2,000	1.53
Pacific Gas and Electric	1,550	1.19
Lincoln Unified School District	1,212	0.93
Kaiser Permanente	1,065	0.82
University of the Pacific	1,021	0.78
San Joaquin Delta College	1,007	0.77
Total	21,859	16.78%

Note: Principal employers are based on best available information.
Source: *City of Stockton, Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021.*

[Remainder of page intentionally left blank]

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

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
Ashley Lane LP	Stockton	Real Estate
Blue Shield of California	Lodi	Insurance
Dameron Hospital	Stockton	Hospitals
Deuel Vocational Instn Fire	Tracy	Fire Departments
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
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, America's Labor Market Information System (ALMIS) Employer Database, 2022 2nd 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 and Industry Employment by Annual Average

Civilian Labor Force	2017	2018	2019	2020	2021
Civilian Labor	323,000	324,100	327,100	334,300	334,300
Employment	300,200	304,200	307,500	295,600	305,300
Unemployment	22,700	19,900	19,600	38,700	29,000
Unemployment Rate	7.0%	6.1%	6.0%	11.6%	8.7%
Wage and Salary Employment					
Agriculture	16,400	15,600	15,400	14,600	13,700
Mining, Logging, and Construction	11,800	12,900	13,200	13,100	13,900
Manufacturing	20,300	20,600	20,600	20,200	20,900
Service Providing	202,800	207,900	213,300	209,900	218,700
Private Service Providing	160,300	164,400	168,400	166,900	176,800
Wholesale Trade	11,200	11,800	11,700	10,600	10,800
Retail Trade	26,800	26,700	26,200	24,600	26,100
Transportation, Warehousing & Utilities	26,200	28,400	31,300	38,800	41,700
Information	1,800	1,800	1,600	1,200	1,200
Financial Activities	7,800	7,800	7,900	7,800	8,000
Professional and Business Services	19,200	19,600	20,200	21,300	22,400
Educational and Health Services	38,200	38,800	39,100	37,300	38,400
Leisure and Hospitality	21,500	22,000	22,600	18,500	21,100
Other Services	7,600	7,600	7,800	6,800	7,100
Federal Government	3,100	3,100	3,200	3,300	3,100
State Government	6,600	6,700	6,800	6,800	6,000
Local Government	32,800	33,700	34,900	33,000	32,800
Total All Industries	251,200	257,000	262,500	257,800	267,100

Note: The unemployment rate is calculated using unrounded data. Data may not add due to rounding.
Source*: California Employment Development Department, Industry Employment & Labor Force by Annual Average, March 2021 Benchmark*

Commercial Activity

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

CITY OF LODI
Taxable Transactions for 2016 to 2020
(Dollars in Thousands)

Year	Number of Outlets	Retail and Food Taxable Transactions	Number of Outlets	Total Outlets Taxable Transactions
2016	1,327	$809,763	1,987	$ 977,819
2017	1,300	890,004	1,972	1,063,066
2018	1,328	945,797	2,064	1,134,229
2019	1,344	972,948	2,107	1,165,018
2020	1,468	967,529	2,321	1,173,785

Source*: California Department of Tax and Fee Administration, Taxable Sales - Cities by Type of Business (Taxable Table 4)*

CITY OF STOCKTON
Taxable Transactions for 2016 to 2020
(Dollars in Thousands)

Year	Number of Outlets	Retail and Food Taxable Transactions	Number of Outlets	Total Outlets Taxable Transactions
2016	3,901	$2,956,409	5,809	$3,907,843
2017	3,932	3,204,986	5,812	4,242,918
2018	4,094	3,351,992	6,160	4,494,043
2019	4,262	3,469,120	6,470	4,741,400
2020	4,797	3,530,284	7,411	4,760,070

Source*: California Department of Tax and Fee Administration, Taxable Sales - Cities by Type of Business (Taxable Table 4)*

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

COUNTY OF SAN JOAQUIN
Number of Permits and Total Taxable Transactions for 2016 to 2020
(Dollars in Thousands)

Year	Retail and Food Permits	Retail and Food Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2016	9,458	$ 7,575,580	14,641	$11,117,625
2017	9,506	8,220,279	14,758	12,379,074
2018	9,660	8,855,169	15,437	13,457,721
2019	9,978	9,073,238	16,144	14,383,854
2020	11,188	10,215,896	18,358	15,752,225

Source*: California Department of Tax and Fee Administration, Taxable Sales - Counties by Type of Business (Taxable Table 3), April 2021.*

Income

Total personal income in the County increased by 34.3% between 2016 and 2020. Per capita personal income in the County grew by 28.1% between 2016 and 2020.

COUNTY OF SAN JOAQUIN
Personal Income
2016-2020
(Dollars in Thousands)

Year	County of San Joaquin	Annual % Change
2016	$29,637,817	-- %
2017	30,921,146	4.3
2018	32,419,031	4.8
2019	34,327,494	5.9
2020	39,793,150	15.9

Source*: U.S. Department of Commerce, Bureau of Economic Analysis, CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income*

COUNTY OF SAN JOAQUIN
***Per Capita* Personal Income[1]**
2016-2020

Year	County of San Joaquin	Annual % Change
2016	$40,452	-- %
2017	41,601	2.8
2018	43,077	3.5
2019	45,075	4.6
2020	51,816	15.0

[1] Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2020 reflect county population estimates available as of March 2021. These estimates are based on the 2010 census. BEA will incorporate Census Bureau midyear population estimates based on the 2020 census results when they become available.

Source*: U.S. Department of Commerce, Bureau of Economic Analysis, CAINC1 Personal Income Summary: Personal Income, Population, Per Capita Personal Income*

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APPENDIX D

FORM OF CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Lodi Unified School District (the "District") in connection with the execution and delivery of $__________ aggregate principal amount of the District's 2022 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to a Resolution adopted by the Board of Education of the District on May 10, 2022 (the "Resolution"). Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Resolution.

In consideration of the execution and delivery of the Bonds by the District and the purchase of such Bonds by the Underwriter described below, the District hereby covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the District for the benefit of the Bondholders and in order to assist the participating underwriter (the "Underwriter") in complying with Rule 15c2-12(b)(5) (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

SECTION 2. Additional Definitions. In addition to the above definitions and the definitions set forth in the Resolution, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 4 and 5 of this Disclosure Agreement.

"Bondholder" or "Holder" means any holder of the Bonds or any beneficial owner of the Bonds so long as they are immobilized with DTC.

"Dissemination Agent" shall mean any Dissemination Agent, or any alternate or successor Dissemination Agent, designated in writing by the Superintendent (or otherwise by the District), which Agent has evidenced its acceptance in writing. The initial Dissemination Agent shall be Dale Scott & Company Inc.

"Financial Obligation" shall mean a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Listed Event" means any of the events listed in Section 6 of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board, through its electronic municipal market access system, which can be found at http://emma.msrb.org/, or any repository of disclosure information that may be designated by the Securities and Exchange Commission for purposes of the Rule.

SECTION 3. CUSIP Numbers and Final Official Statement. The CUSIP Numbers for the Bonds have been assigned. The Final Official Statement relating to the Bonds is dated _______, 2022 ("Final Official Statement").

SECTION 4. Provision of Annual Reports.

(a) The District shall cause the Dissemination Agent, not later than March 30 after the end of the District's fiscal year (currently ending June 30), commencing with the report for the fiscal year ending June 30, 2022, which would be due on March 30, 2023, to provide to the MSRB an Annual Report which is consistent with the requirements of Section 5 of this Disclosure Agreement. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 5 of this Disclosure Agreement; provided that the audited financial statements of the District may be submitted, when and if available, separately from the balance of the relevant Annual Report.

(b) Change of Fiscal Year. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Significant Event under Section 6. (Reporting of Significant Events).

(c) If the District is unable to provide to the MSRB an Annual Report by the date required in paragraph (a) above, the District, in a timely manner, shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) determine the name and address of the MSRB each year prior to the date established hereunder for providing the Annual Report; and

(ii) if the Dissemination Agent is other than the District or an official of the District, the Dissemination Agent shall file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and listing all the Repositories to which it was provided.

SECTION 5. Content of Annual Report. The District's Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 4(a) (Delivery of Annual Report to MSRB), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available;

(b) *Annual Budget.* The District's approved annual budget for the then-current fiscal year;

(c) *Assessed Value*. Assessed value of taxable property in the District as shown on the most recent equalized assessment roll;

(d) *Tax Collection*. Property tax levies, collection and delinquencies for the District for the immediately preceding fiscal year as of June 30, if the District is no longer a participant in the County of San Joaquin's Teeter Plan; and

(e) *Largest Taxpayers*. Twenty largest taxpayers for the then-current fiscal year as measured by secured assessed valuation and their percentage of the total secured assessed value.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities that have been submitted to the MSRB. If the document included by reference is a final official statement, it must be available from the MSRB. The District shall clearly identify each such other document so included by reference.

SECTION 6. Reporting of Significant Events.

(a) The District agrees to provide or cause to be provided to the MSRB, in readable PDF or other electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds not later than ten (10) Business Days after the occurrence of the event:

(i) Principal and interest payment delinquencies;

(ii) Unscheduled draws on any debt service reserves reflecting financial difficulties;

(iii) Unscheduled draws on any credit enhancements reflecting financial difficulties;

(iv) Substitution of or failure to perform by any credit provider;

(v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) Tender Offers;

(vii) Defeasances;

(viii) Rating changes;

(ix) Bankruptcy, insolvency, receivership or similar event of the District; or

(x) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the Financial Obligation of the District which reflect financial difficulties.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, not later than ten (10) Business Days after the occurrence of the event:

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

(ii) Modifications of rights to Bondholders;

(iii) Optional, unscheduled or contingent Bond calls;

(iv) Release, substitution or sale of property securing repayment of the Bonds;

(v) Non-payment related defaults;

(vi) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) Appointment of a successor or additional Paying Agent or Trustee or the change of name of a Paying Agent; and

(viii) Incurrence of a Financial Obligation of the District or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 4 hereof, as provided in Section 4(b) hereof.

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 6(a) hereof, or determines that knowledge of a Listed Event described in Section 6(b) hereof would be material under applicable federal securities laws, the District shall within ten (10) Business Days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

SECTION 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Agreement shall terminate when the District is no longer an obligated person with respect to the Bonds, as provided in the Rule, upon the defeasance, prior redemption or payment in full of all of the Bonds.

SECTION 8. Dissemination Agent. The Superintendent may, from time to time, appoint or engage an alternate or successor Dissemination Agent to assist in carrying out the District's obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

The Dissemination Agent shall be entitled to the protections, limitations from liability, immunities and indemnities provided to the Paying Agent as set forth in the Resolution which are incorporated by reference herein. The Dissemination Agent agrees to perform only those duties of the

Dissemination Agent specifically set forth in the Agreement, and no implied duties, covenants or obligations shall be read into this Agreement against the Dissemination Agent.

The Dissemination Agent shall have no duty or obligation to review the Annual Report nor shall the Dissemination Agent be responsible for filing any Annual Report not provided to it by the District in a timely manner in a form suitable for filing. In accepting the appointment under this Agreement, the Dissemination Agent is not acting in a fiduciary capacity to the registered holders or beneficial owners of the Bonds, the District, or any other party or person.

The Dissemination Agent may consult with counsel of its choice and shall be protected in any action taken or not taken by it in accordance with the advice or opinion of such counsel. No provision of this Agreement shall require the Dissemination Agent to risk or advance or expend its own funds or incur any financial liability. The Dissemination Agent shall have the right to resign from its duties as Dissemination Agent under this Agreement upon thirty days' written notice to the District. The Dissemination Agent shall be entitled to compensation for its services as Dissemination Agent and reimbursement for its out-of-pocket expenses, attorney's fees, costs and advances made or incurred in the performance of its duties under this Agreement in accordance with its written fee schedule provided to the District, as such fee schedule may be amended from time to time in writing. The District agrees to indemnify and hold the Dissemination Agent harmless from and against any cost, claim, expense, cost or liability related to or arising from the acceptance of and performance of the duties of the Dissemination Agent hereunder, provided the Dissemination Agent shall not be indemnified to the extent of its willful misconduct or negligence. The obligations of the District under this Section shall survive the termination or discharge of this Agreement and the Bonds.

SECTION 9. <u>Amendment</u>. Notwithstanding any other provision of this Disclosure Agreement, the District may amend this Disclosure Agreement under the following conditions, provided no amendment to this Agreement shall be made that affects the rights, duties or obligations of the Dissemination Agent without its written consent:

(a) The amendment may be made only in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the obligated person, or type of business conducted;

(b) This Disclosure Agreement, as amended, would have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment does not materially impair the interests of Holders, as determined either by parties unaffiliated with the District or another obligated person (such as the Bond Counsel) or by the written approval of the Bondholders; provided, that the Annual Report containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

SECTION 10. <u>Additional Information</u>. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or to include it in any future disclosure or notice of occurrence of a Designated Material Event.

Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Designated Material Event, in addition to that which is required by this Disclosure Agreement.

SECTION 11. Default. The District shall give notice to the MSRB of any failure to provide the Annual Report when the same is due hereunder, which notice shall be given prior to July 1 of that year. In the event of a failure of the District to comply with any provision of this Disclosure Agreement, any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Agreement in the event of any failure of the District to comply with this Disclosure Agreement shall be an action to compel performance.

SECTION 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the District, the Dissemination Agent, the Underwriter and Holders from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 13. Governing Law. This Disclosure Agreement shall be governed by the laws of the State, applicable to contracts made and performed in such State.

Dated:______, 2022

LODI UNIFIED SCHOOL DISTRICT

By:____
Superintendent

Acceptance of duties as Dissemination Agent:

By:____________________________________
DALE SCOTT & COMPANY INC.

EXHIBIT A

NOTICE TO REPOSITORIES OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Lodi Unified School District

Name of Issue: $______ 2022 General Obligation Refunding Bonds

Date of Issuance: _____, 2022

NOTICE IS HEREBY GIVEN that the above-named Issuer has not provided an Annual Report with respect to the above-named Bonds as required by Section 4(a) of the Continuing Disclosure Agreement dated ____, 2022. The Issuer anticipates that the Annual Report will be filed by ___________________.

Dated: __________________________

[ISSUER/DISSEMINATION AGENT]

By:____

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APPENDIX E

SAN JOAQUIN COUNTY INVESTMENT POLICY STATEMENT AND MONTHLY INVESTMENT REPORT FOR MONTH ENDED MARCH 31, 2022

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2022 Investment Policy

Submitted by
Phonxay Keokham, CPA
Treasurer-Tax Collector

Approved by the Board of Supervisors on
December 7, 2021

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1.0 POLICY

The Investment Policy establishes the criteria for the prudent investment of pool participants' surplus treasury funds and outlines the policies for maximizing the efficiency of the San Joaquin County (County) cash management system. In addition, the Investment Policy governs the deposit, safekeeping, and investment of all funds under the control of the County Treasurer (Treasurer), as well as all related transactions and investment activities. It does not apply to bond funds or other affiliated public agency assets that reside outside of the County's Investment Pool.

The Investment Policy shall be reviewed annually by the Treasurer with the Treasury Oversight Committee. Any modifications made thereto must be approved by the County Board of Supervisors and adopted by resolution. No person may engage in an investment transaction except as provided under the terms of this policy. The Treasurer shall establish written investment policy procedures.

2.0 OBJECTIVE

The objective of the Investment Policy is to enhance the economic status of all Investment Pool participants while protecting their surplus treasury funds. The County operates its investment program under the "Prudent Investor Standard" set forth by Government Code Section 53600.3. This affords the County a broad spectrum of investment opportunities provided that the investment is deemed prudent and is allowable under current legislation of the State of California.

The criteria and priority for selecting investments are as follows:

(a) Safety. Safety of principal is the foremost objective of the County's investment program. The safety and risk associated with an investment refers to the potential loss of principal and/or interest. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the Investment Pool.

(b) Liquidity. Liquidity refers to the ability to access cash at any time with minimal risk of losing some portion of principal or interest. The Investment Pool will remain sufficiently liquid to enable the County to meet all anticipated operating requirements. Liquidity is an important investment quality considering an unanticipated need for funds may arise.

(c) Yield. Yield is the potential dollar earnings that an investment can provide and is also referred to as the rate of return. Return on investment is of secondary importance compared to the safety and liquidity objectives described above.

3.0 DELEGATION OF AUTHORITY

The County Board of Supervisors, as permitted under Government Code 53607, delegates the responsibility to invest or reinvest the funds of the County or to sell or exchange securities so purchased, to the Treasurer who shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials and their procedures in the absence of the Treasurer.

4.0 GENERAL CONSTRAINTS

The following criteria represents the general framework within which the County's Treasury investment program shall be conducted:

(a) The laws of the State of California and the Prudent Investor Standard shall be the primary standards by which all County Treasury investments are transacted.

(b) Surplus treasury fund management and investment transactions are the responsibility of the Treasurer.

(c) The Treasurer strives to maintain the level of investment of all funds as near 100 percent as possible through daily projections and cash flow forecasting.

(d) The basic premise underlying the County's Investment Policy is to ensure that the pooled funds are always safe and available when needed.

(e) Surplus treasury funds are all funds which are not required to meet the bank's demands on the Treasury to redeem warrants or cover other County disbursement obligations on any given day.

5.0 CONSTRAINTS SET BY GOVERNMENT CODE

Government Code Sections 53601 and 53635 impose restrictions on the investments of government entities. All such restrictions are to be adhered to in their entirety. In addition, the Treasurer may impose further restrictions to investments if the Treasurer deems such action appropriate. Such action is deemed appropriate with the following section listing the only authorized investments of the County.

6.0 AUTHORIZED INVESTMENTS

The County's authorization to invest is limited to the securities categorized below. All securities must be U.S. dollar denominated. The restrictions specified in Government Code Sections 53601 and 53635 apply unless otherwise stated. Authorized investments are as follows:

(a) United States Treasury Bills, Notes, and Bonds (Maximum of 100%)

United States Treasury Bills, Notes, and Bonds for which the full faith and credit of the United States are pledged for the payment of principal and interest. Zero Coupon issues of these types of investments are authorized. There is no percentage limit on the total dollar amount that may be invested in this category.

(b) Obligations issued by a Federal Agency or a U.S. Government Sponsored Enterprise (GSE) (Maximum of 100%)

Federal Agency issues of the Federal National Mortgage Association (also known as Fannie

Mae and/or FNMA), and the Federal Home Loan Mortgage Corporation (also known as Freddie Mac and/or FHLMC), the Federal Farm Credit Bank System (also known as FFCB), and the Federal Home Loan Bank (also known as FHLB). Debentures, Zero Coupon, Discount Notes, or Floaters of the above issuers are authorized. There is no percentage limit on the total dollar amount that may be invested in this category.

(c) State Obligations and California Local Agency Bonds (Maximum of 100%)

Registered Treasury Notes, Bonds or Warrants as defined in Government Code Section 53601. There is no percentage limit on the total dollar amount that may be invested in this category.

(d) Local Agency Investment Fund

Local Agency Investment Fund (LAIF) of the State of California is an investment alternative created pursuant to Government Code Section 16429.1 for California's local governments and special districts. LAIF purchases securities under the authority of Government Code Section 16430 and 16480.4. The Treasurer may invest up to the maximum amount permitted by LAIF. Due diligence must be conducted on an annual basis.

(e) California Asset Management Program

California Asset Management Program (CAMP) is a California Joint Powers Authority, short-term, highly liquid money market account organized pursuant to Government Code Section 6509.7. The CAMP pool is a permitted investment under Government Code Section 53601(p). The CAMP deposit limit is calculated at 10 percent of their total portfolio. Due diligence must be conducted on an annual basis.

(f) Repurchase Agreements (Maximum of 100%)

Term repurchase agreements may be collateralized by either U.S. Treasury securities or by any U.S. Federal Agency security.

Regardless of maturity, repurchase agreements must be collateralized at 102 percent (market value plus accrued interest). Repurchase agreements shall only be made with dealers with assets in excess of $500 million and having either the highest commercial paper rating, of A or higher rating for the issuer's debt, if any, as provided by a nationally recognized statistical-rating organization (NRSRO). There is no percentage limit on the total dollar amount that may be invested in this category.

All Repurchase Agreements with brokers/dealers will be done through a "Tri-Party Custodian Agreement" that has been approved, in writing, by the Treasurer.

All Repurchase Agreements with commercial banks will be governed by a Public Securities Association (PSA) agreement that has been approved, in writing, by the Treasurer.

(g) Banker’s Acceptances (Maximum of 40%)

Bills of Exchange or Time Drafts (referred to as Banker’s Acceptances). Banker’s Acceptances may not exceed 40 percent of the Investment Pool and no more than 30 percent may be invested in the Banker’s Acceptances of one commercial bank. The limit for each issuer may be specified in the Treasurer's “Approved Banker’s Acceptance Issues”.

(h) Medium Term Notes (Maximum of 30%)

Corporate Debentures (Medium Term Notes) that have a rating in the highest or second highest categories of a NRSRO. Medium Term Notes must be issued by corporations organized and operating within the United States. The maximum maturity of such issues is three years. Floaters of the above issues are authorized as long as the maximum maturity does not exceed three years. Medium Term Notes may not exceed 30 percent of the Investment Pool.

(i) Time Deposits (Maximum of 30%)

Certificates of Deposits issued by nationally or state-chartered bank, savings association, federal association, or state-licensed branch of a foreign bank. The bank must have a branch or office in the County. The bank must have a rating in the highest or second highest categories of an NRSRO. The limit for each issuer is specified in the Treasurer’s “Approved Negotiable Certificates of Deposit List.” The collateralization level will be 110 percent of market value for Certificate of Deposits. The maximum maturity is one year. Certificate of Deposits may not exceed 30 percent of the Investment Pool.

(j) Commercial Paper (Maximum of 30%)

Commercial Paper is an unsecured, short-term debt instrument issued by a corporation. Commercial Paper must have the highest categories of an NRSRO. The maximum maturity is 270 days. The limit for each issuer is specified in the Treasurer’s “Commercial Paper Approved List”. Commercial Paper may not exceed 30 percent of the Investment Pool.

(k) Mutual Funds (Maximum of 20%)

Mutual Funds, as defined in Government Code Section 53601 that consist only of those investments authorized by the Investment Policy. Mutual Funds may not exceed 20 percent of the Investment Pool. A thorough investigation of the fund is required prior to investing and due diligence must be conducted on an annual basis.

(l) Bank Deposits (Maximum of 10%)

Bank Deposits are interest-bearing active deposits in a state or national bank, savings association or federal association, a state or federal credit union, or a federally insured industrial loan company. These deposits must be properly collateralized at 110 percent in accordance with Government Code Section 53652. Deposits with any one depository may not exceed 10 percent of the Investment Pool.

(m) Specific Securities (Maximum per Approval)

Specific securities as specified in the ordinance, resolution, indenture, or agreement for monies pledged to the payment or security of bonds or other indebtedness as governed by Government Code Section 53601(m) must receive written approval from the Treasurer.

7.0 DIVERSIFICATION

It is the policy of the Treasurer to diversify the pooled funds. Investments are diversified to minimize the risk of loss resulting in an overconcentration of assets in a specific maturity, issuer, or class of security. Diversification strategies shall be established by the Treasurer and periodically reviewed.

8.0 MATURITY STRUCTURE

To the extent possible, investments shall be made to match anticipated cash flow requirements. A minimum of 25 percent of the entire Investment Pool shall mature within 60 days to provide sufficient liquidity for expected disbursements. If for any reason the Investment Pool is not in compliance with the minimum maturity percentage, all new investments will be restricted to a maturity of 60 days or less until compliance is restored. No investment shall be made in any security with a maturity greater than five years, unless it is approved by the Board of Supervisors.

Annually, the Treasurer must give written approval for authorized staff to purchase securities with a maturity of one year or longer.

9.0 DEALER APPROVAL

All financial institutions used for the placement of investments, must be approved by the Treasurer in writing. The creditworthiness of all financial institutions will be reviewed by the Treasurer. The Treasurer will maintain a list of approved financial institutions authorized to provide investment services to the County.

The Treasurer will not approve any broker, brokerage, dealer, or securities firm that has, within the past two years, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to the Treasurer, any member of the Board of Supervisors, or any candidate for these offices.

All brokers are provided with the updated Investment Policy on an annual basis.

10.0 COMPETITIVE BIDDING

Bids for any investment shall be taken from a minimum of two banks or broker/dealers. Awards will be made to the highest offer, giving consideration to safety, liquidity, a balanced investment pool, and diversification. If two bids for a similar investment security are unavailable, then the second bid may be for another investment security with a similar maturity.

11.0 SWAPS AND TRADES

Securities may be swapped and traded for other eligible securities after calculating the gain between the buy and sell candidates in the transaction and approval by the Treasurer.

12.0 LOSSES

Generally, losses are acceptable on a sale before maturity and may be taken if reinvested proceeds will earn an income flow with a present value higher than the present value of the income flow that would have been generated by the original investment.

13.0 SAFEKEEPING

Securities purchased from broker/dealers shall be held in third party safekeeping by the trust department of the County's bank or other designated third party custodian and in the County's name. The third party custodian shall be required to issue a safekeeping statement listing specific instrument, rate, maturity, and other pertinent information. No securities will be held by the broker/dealer from whom they were purchased.

Safekeeping of Repurchase Agreements and Collateralized Non-Negotiable Certificates of Deposit are stipulated in the section titled "Authorized Investments".

14.0 CONFIRMATION

All investment confirmations are to be reviewed for conformity with the original transaction. Discrepancies are to be reported to the Treasurer.

15.0 INTERNAL CONTROLS

The Treasurer shall establish internal controls to provide reasonable assurance that the investment objectives are met and to ensure that the assets are protected from loss, theft, or misuse. The Treasurer shall also be responsible for ensuring that all investment transactions comply with the Investment Policy and Government Codes.

The Treasurer shall establish a process for daily, monthly, quarterly, and annual reviews and the monitoring of investment program activity. Daily, the Treasurer or authorized Treasury personnel shall review the investment activity, as well as corresponding custodial and commercial bank balances and positions for compliance with the Investment Policy and guidelines. The County Auditor-Controller's Office or the contracted external auditor shall conduct an annual audit of the investment program's activities.

16.0 PERFORMANCE STANDARDS

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles commensurate with investment risk constraints and cash flow needs.

The Treasurer's investment strategy is both passive and active. Given this strategy, the basis used by the Treasurer to determine whether market yields are being achieved shall be to identify a comparable benchmark to the investment duration. (i.e. 90-day U.S. Treasury Bill, six-month U.S. Treasury Bill, Average Fed Funds Rate). Benchmarks may be modified over time based on changes in market conditions or cash flow requirements.

17.0 CREDIT FOR INTEREST EARNINGS

Interest earnings from the Investment Pool shall be credited to participating entities each quarter. The credit is computed based on the average daily cash balance of funds on deposit during the quarter in the County Treasury.

In accordance with Government Code Section 27013, authorized costs of investing, depositing, banking, auditing, reporting or otherwise handling or managing funds will be deducted from the total interest earnings prior to the interest earnings apportionment.

18.0 DIRECTED INVESTMENTS

The Treasurer may allow special directed investments for Tax and Revenue Anticipation Note (TRANs) proceeds or other special purposes. The Treasurer will work with the entity to make a single directed investment. For proceeds between $10 million and $50 million, that investment will be in a U.S. Treasury Bill. For proceeds in excess of $50 million, the investment can be in either a U.S. Treasury Bill or a U.S. Treasury Note. Upon the maturity of the investment, all funds will be deposited into the Investment Pool. Any funds from the TRANs sale, not included in the investment, will be placed in the Investment Pool. The charge for the investment will be $5,000, which is estimated to cover the actual expenses of the offices of the Treasurer and the County Auditor-Controller. These expenses may include paying agent, safekeeping, establishing of entity funds, tracking, and recording the investment. The Treasurer may negotiate a different charge if it is cost justified and appropriate. Directed investments will be separate from the Investment Pool.

19.0 OUTSIDE AGENCIES

Local agencies not required to deposit funds with the County may place funds in the Investment Pool with the approval of the Treasurer All agencies must comply with this Investment Policy. It is anticipated that most funds will be withdrawn from the Investment Pool by a warrant. Wire transfers must be arranged with the Treasurer.

20.0 WITHDRAWALS

The Treasurer requires 24-hour notice on withdrawals of $1 million to $10 million, a minimum seven-day notice on withdrawals between $10 million and $25 million, and a 30-day notice for amounts exceeding $25 million. The Treasurer also reserves the right to work with any agency on the timing of a withdrawal exceeding $10 million if that withdrawal might affect the stability or predictability of cash flow in the County Treasury. The Treasurer may refuse any withdrawal above $25 million which may negatively impact the stability and predictability of cash flow in the County Treasury. The Treasurer may reduce or waive the required notice.

21.0 REPORTING

The Treasurer shall provide a monthly report to the County Board of Supervisors, County Administrator, County Auditor-Controller, and the County Treasury Oversight Committee itemizing all Treasury investments by investment type, institution, date of maturity, amount of investment, rate of interest, and current market value. Securities will be valued based on information from either the trustee, broker, the Wall Street Journal, or other sources approved by the Treasurer. The market value for Certificates of Deposit, Repurchase Agreements of less than 30 days, CAMP, and LAIF will be at cost. The report will include the weighted average maturity of the investments in the Treasury Pool, and a statement denoting the ability of the local agency to meet its expenditure requirements for the next six months.

22.0 COUNTY TREASURY OVERSIGHT COMMITTEE

The County Treasury Oversight Committee (Committee) will review and monitor the Investment Policy on an annual basis. The Committee shall require an annual audit to be conducted to determine the County Treasury's compliance with the law and the Investment Policy.

The Committee shall not direct individual investment decisions, select individual investment advisors, brokers, dealers, or impinge on the day-to-day operations of the County Treasury.

A member may not be employed by an entity that has contributed to the campaign of a candidate for the office of local Treasurer, or contributed to the campaign of a candidate to be a member of a legislative body of any local agency that has deposited funds in the County Treasury, in the previous three years or during the period that the employee is a member of the Committee (Government Code Section 27132.1).

A member may not directly or indirectly raise money for a candidate for local Treasurer or a member of the governing board of any local agency that has deposited funds in the County Treasury while a member of the Committee (Government Code Section 27132.2).

A member may not secure employment with, or be employed by, bond underwriters, bond counsel, security brokerages or dealers, or financial services firms, with whom the Treasurer is doing business during the period that the person is a member of the Committee or for one year after leaving the Committee (Government Code Section 27132.3).

Committee meetings shall be open to the public and subject to the Ralph M. Brown Act.

23.0 INDEMNIFICATION

The standard of care to be used by the County's officers or employees in all investment transactions shall be the Prudent Investor Standard (Government Code Section 53600.3), which is expanded as follows:

> When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to the general economic conditions and the anticipated needs of the agency, that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law.

The above criteria are established as the standard for professional responsibility and shall be applied in the context of managing the Investment Pool. Investment officers acting in accordance with the Investment Policy shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion, and appropriate action is taken to control adverse developments.

24.0 ETHICS AND CONFLICT OF INTEREST

No officer, employee, or member of the Committee may directly or indirectly accept or solicit from any person, corporation, or group having a business relationship with the Treasurer or Treasury-related functions, any rebate, kickback, or anything of an economic value as a gift, gratuity, or honoraria.

No officer or employee of the Treasurer shall, outside of working hours, engage in any profession, trade, business, or occupation, which is incompatible or involves a conflict of interest with his/her duties as a County officer or employee.

Investment officials shall refrain from personal business activity that may conflict with proper execution and management of the policy and the investment program or which could impair their ability to make impartial decisions. Investment officials must provide public disclosure required under Government Code Section 87203, et seq.

The Treasurer and designated employees must annually file a Form 700 (Statement of Economic Interest) in accordance with the County's Conflict-of-Interest Code.

25.0 BUSINESS CONTINUITY PLAN

In the event the Treasurer or authorized staff is unable to conduct normal business operations, the Treasurer has an agreement with the custody bank for a daily sweep of surplus funds into an interest-bearing account as well as the ability to transfer additional funds to money market and liquid accounts until normal operations are restored. Restrictions pertaining to investment type, investment amount, and investment percentages, as stated in the Investment Policy, will be temporarily suspended to allow for continued operations.

GLOSSARY

Accrued Interest: The amount of interest that is earned but unpaid (not yet received) since the last interest payment date.

Banker's Acceptance (BA): A highly-liquid draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

Broker: A broker brings buyers and sellers together for a transaction for which the broker receives a commission.

CAMP: A California Joint Powers Authority which offers a short-term, highly-liquid money market account organized pursuant to Government Code Section 6509.7.

Certificate of Deposit (CD): A time deposit with a specific maturity evidenced by a certificate. Large denomination CDs may be marketable.

Collateral: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public monies.

Commercial Paper (CP): The short-term unsecured debt of corporations.

Credit Risk: The risk that principal and/or interest on an investment will not be paid in a timely manner due to changes in the condition of the issuer.

Custodian: A bank or other financial institution that keeps custody of stock certificates and other assets.

Dealer: A dealer, as opposed to a broker, acts as a principal in security transactions buying and selling securities for his own account.

Diversification: Dividing investment funds among a variety of securities offering independent returns to avoid excessive exposure to any one source of risk.

Federal Farm Credit Bank (FFCB): A United States GSE and a provider of loans, leases, and services that support rural communities and U.S. agriculture.

Federal Home Loan Bank (FHLB): GSEs with wholesale banks (currently 12 regional banks) which lend funds and provide correspondent banking services to member commercial banks, thrift institutions, credit unions and insurance companies. The mission of the FHLBs is to liquefy the housing related assets of its members who must purchase stock in their district bank.

Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac): A United States GSE, charged by Congress in 1970, to keep money flowing to mortgage lenders in support of homeownership and rental housing for middle-income Americans. The FHLMC familiarly known as Freddie Mac, purchases, guarantees and securitizes mortgages to form mortgage-backed securities.

Federal National Mortgage Association (FNMA or Fannie Mae): FNMA was chartered under the Federal National Mortgage Association Act in 1938. It is a GSE. FNMA is a federal corporation working under the auspices of the Department of Housing and Urban Development (HUD). It is the largest single provider of residential mortgage funds in the United States. Fannie Mae is a private stockholder-owned corporation and its purchases include a variety of mortgages and second loans. FNMA's securities are also highly-liquid and are widely accepted. FNMA assumes and guarantees that all security holders will receive timely payment of principal and interest.

Government Sponsored Enterprise (GSE): A type of financial services corporation created by the Federal Government to facilitate borrowing in specific sectors. GSE bonds carry the implicit backing of the Federal Government.

Interest: The amount earned while owning a debt security and generally calculated as a percentage of the principal amount.

Internal Controls: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met.

Investment Policy: A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Investment Pool: A portfolio with funds combined from more than one entity.

Liquidity: The speed and ease with which an asset can be converted to cash without substantial loss of value.

Local Agency: County, city, city & county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

Local Agency Investment Fund (LAIF): The LAIF is an investment alternative for California's local government and special districts authorized under Sections 16429, 1, 2 and 3 of the California

Government Code (the "Code"). The LAIF is managed by the State Treasurer's Office, with oversight by the Local Agency Investment Advisory Board. All securities in LAIF are purchased under the authority of Code Sections 16430 and 16480.4. The State Treasurer's Office receives all securities on a delivery versus payment basis using a third party custodian. All securities are purchased at market, with market valuation conducted monthly.

Market Value: The price at which a security can be traded.

Master Repurchase Agreement: A written contract covering all future transactions between the parties to repurchase or reverse repurchase agreements that establishes each party's rights in the transactions. A master agreement will often specify, among other things, the right of the buyer-lender to liquidate the underlying securities in the event of default by the seller-borrower.

Maturity: The final date upon which the principal or stated value of a security becomes due and payable.

Medium Term Notes (MTN): Debt securities issued by a corporation or depository institution with a maturity ranging from nine months to five years. The term "medium-term notes" refers to the time it takes for an obligation to mature and includes other corporate debt securities originally issued for maturities longer than five years, but which have now fallen with the five year maturity range. MTNs issued by banks are also called "bank notes."

Money Market: The market in which short-term debt instruments (Treasury Bills, discount notes, commercial paper, and banker's acceptances) are issued and traded.

Mutual Funds: An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments.

Nationally Recognized Statistical Rating Organization (NRSRO): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.) The primary rating agencies include Standard & Poor's Corporation, Moody's Investor Services, Inc., Fitch Investors Service, Duff & Phelps Investment Service, Thompson BankWatch, and International Bank Credit Analyst.

Portfolio: A collection of securities held by an investor.

Price: The amount of monetary consideration required by a willing seller and a willing buyer to sell an investment on a particular date.

Prudent Investor Standard: A standard of responsibility which applies to fiduciaries. In California, the rule is stated as "Investments shall be managed with the care, skill, prudence and diligence, under the circumstances then prevailing, that a prudent person, acting in a like capacity and familiar with such matters, would use in the conduct of an enterprise of like character and with like aims to accomplish similar purposes."

Principal: The face value or par value of an investment.

Rate of Return: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity on the bond or the current income return.

Rating: Various alphabetical and numerical designations used by institutional investors, Wall Street underwriters, and commercial rating companies use to give relative indications of bond and note creditworthiness.

Repurchase Agreement (RP or REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities at a later date at a specified price that includes interest for the buyer's holding period. In essence, this is a collateralized investment whereby the security "buyer" lends the "seller" money for the period of the agreement.

Risk: The uncertainty of maintaining the principal or interest associated with an investment due to a variety of factors.

Rule G-37 of the Municipal Securities Rulemaking Board: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

Safekeeping: A service to bank customers whereby securities are held for protection by the bank in the customer's name.

Safety: In the context of investing public funds, safety relates to the preservation of principal of an investment in an investment portfolio; local agencies address the concerns of safety by controlling exposure to risks.

Swap: A swap is any financial transaction that involves the simultaneous purchase of a security and the sale of another for the purpose of enhancing an investor's portfolio. Swap transactions of interest to California public investors include portfolio swaps and interest rate swaps.

Tax and Revenue Anticipation Notes (TRANs): Notes issued in anticipation of receiving tax proceeds or other revenues at a future date.

Treasury Bills: Non-interest-bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

Treasury Notes: Interest-bearing obligations of the U.S. Treasury with maturities ranging from two to 10 years from date of issue.

Treasury Bonds: Interest-bearing obligations issued by the U.S. Treasury with maturities that range from 10 to 30 years from date of issue.

U.S. Government Agency Securities: Debt Securities issued by U.S. GSE and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB); Federal

Loan Mortgage Corporation (FHLMC, or "Freddie Mac"); Federal National Mortgage Association (FNMA or "Fannie Mae"); Federal Farm Credit Banks (FFCB); Farmer Mac.

U.S. Treasury Securities: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The U.S. Treasury issues both discounted securities and fixed coupon notes and bonds.

Weighted Average Maturity (WAM): The average maturity of all the securities that comprise a portfolio that is typically expressed in days or years.

Yield: The annual rate of return on a debt investment computed as though held to maturity expressed in percentages.

Zero-Coupon Bonds/U.S. Treasury Strips: A bond which represents ownership of a single coupon or principal payment due on a U.S. Treasury bond. "Zeros" or "strips" mature at face value at a specified date in the future and make no payments until that date. They always sell at a discount from face value.

PHONXAY KEOKHAM, CPA
TREASURER-TAX COLLECTOR
SAN JOAQUIN COUNTY

Wyman Jeung
Assistant Treasurer-Tax Collector

Mandy Matta
Chief Deputy Treasurer-Tax Collector

Joseph Caswell
Chief Deputy Treasurer-Tax Collector

TREASURY BALANCE SUMMARY

March 31, 2022

I, Phonxay Keokham, Treasurer-Tax Collector, County of San Joaquin, State of California, do hereby certify under oath that on March 31, 2022, the books of said County showed that there was $5,124,726,063.28 (FIVE BILLION, ONE HUNDRED TWENTY FOUR MILLION, SEVEN HUNDRED TWENTY SIX THOUSAND, SIXTY THREE DOLLARS AND TWENTY EIGHT CENTS) in the Treasury as follows:

Currency		$	86,410.18
Summary of Investments (see attachment for details):			
Bank of the West - Sweep	9,280,928.12		
Bank of the West - Money Market Plus	60,000,000.00		
California Asset Management Program	145,000,000.00		
Local Agency Investment Fund	75,000,000.00		
Commercial Paper	794,307,670.84		
Medium Term Notes	25,007,300.00		
California GO Refunding Bonds	21,105,800.00		
US Treasury	1,583,989,840.01		
Federal Agencies	2,373,336,805.68		
Total Investments			5,087,028,344.65
Bank Balance			
Bank of the West - Closing Ledger Balance			38,039,130.81
Bank of the West - Transactions Pending			(427,822.36)
Total Treasury Balance		$	5,124,726,063.28

All investments are in compliance with the County's Investment Policy. Market values are based on information from either the trustee, broker, Wall Street Journal, or other sources approved by the Treasurer-Tax Collector. Based on revenue and expenditure projections and information known to the Treasurer-Tax Collector, the Treasury will be able to meet its pool's expenditure requirement for the next six months. The weighted average maturity of the investments within the treasury pool, assuming all callable bonds are held to maturity, is 350 days.

Phonxay Keokham

Phonxay Keokham, Treasurer-Tax Collector

Tracker

44 N. San Joaquin Street, Suite 150 | Stockton, CA 95202 | P 209.468.2133 | F 209.468.2158 | sjcttc.org

San Joaquin County

PORTFOLIO HOLDINGS

March, 31, 2022

Quantity	Security Identification	Settlement Date	Security	Maturity Date	Rate	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
CASH AND EQUIVALENTS														
9,280,928.12	SWEEP3559	9/22/2001	Bank Deposits - Sweep 110% Collateral	N/A	0.070	9,280,928.12	100.00	9,280,928.12		9,280,928.12	0.18	0.070	NR	NR
60,000,000.00	MM0888	2/29/2012	Bank of the West - Money Market Plus	N/A	0.130	60,000,000.00	100.00	60,000,000.00		60,000,000.00	1.18	0.130	NR	NR
145,000,000.00	CAMP6088	4/12/2019	California Asset Management Program	N/A	0.250	145,000,000.00	100.00	145,000,000.00		145,000,000.00	2.86	0.250	NR	NR
75,000,000.00	LAIF9000	7/31/1988	Local Agency Investment Fund	N/A	0.364	75,000,000.00	100.00	75,000,000.00		75,000,000.00	1.48	0.364	NR	NR
289,280,928.12						289,280,928.12		289,280,928.12		289,280,928.12	5.70	0.204		
COMMERCIAL PAPER														
50,000,000.00	24422MD16	2/8/2022	John Deere	4/1/2022	0.140	49,989,888.89	99.98	49,999,415.00	0.00	49,999,415.00	0.98	0.140	Moodys-P1	S&P-A1
25,000,000.00	19121BD55	10/20/2021	Coca-Cola	4/5/2022	0.060	24,993,041.67	99.97	24,998,540.00	0.00	24,998,540.00	0.49	0.060	Moodys-P1	S&P-A1
50,000,000.00	93114FDB7	3/16/2022	Walmart	4/11/2022	0.260	49,990,611.11	99.98	49,995,260.00	0.00	49,995,260.00	0.98	0.260	Moodys-P1	S&P-A1
50,000,000.00	46640QDN8	3/1/2022	JP Morgan	4/22/2022	0.400	49,971,111.11	99.94	49,987,165.00	0.00	49,987,165.00	0.98	0.400	Moodys-P1	S&P-A1
20,000,000.00	59157UDN7	10/27/2021	MetLife	4/22/2022	0.130	19,987,216.67	99.94	19,996,210.00	0.00	19,996,210.00	0.39	0.130	Moodys-P1	S&P-A1
50,000,000.00	03785EDS0	3/16/2022	Apple	4/26/2022	0.290	49,983,486.11	99.97	49,988,805.00	0.00	49,988,805.00	0.98	0.290	Moodys-P1	S&P-A1
20,000,000.00	59157UDS6	2/25/2022	MetLife	4/26/2022	0.250	19,991,666.67	99.96	19,995,522.00	0.00	19,995,522.00	0.39	0.250	Moodys-P1	S&P-A1
50,000,000.00	60689GE28	10/5/2021	Mizuho	5/2/2022	0.145	49,957,909.72	99.92	49,980,680.00	0.00	49,980,680.00	0.98	0.145	Moodys-P1	S&P-A1
25,000,000.00	62479MEJ8	3/21/2022	MUFG Bank	5/18/2022	0.636	24,974,423.61	99.90	24,981,600.00	0.00	24,981,600.00	0.49	0.636	Moodys-P1	S&P-A1
25,000,000.00	62479MEL3	3/22/2022	MUFG Bank	5/20/2022	0.661	24,972,958.33	99.89	24,980,322.50	0.00	24,980,322.50	0.49	0.661	Moodys-P1	S&P-A1
50,000,000.00	53943SEP8	3/24/2022	Lloyds	5/23/2022	0.551	49,954,166.67	99.91	49,947,300.00	0.00	49,947,300.00	0.98	0.551	Moodys-P1	S&P-A1
10,000,000.00	59157UFA3	12/3/2021	MetLife	6/10/2022	0.180	9,990,550.00	99.91	9,988,278.00	0.00	9,988,278.00	0.20	0.180	Moodys-P1	S&P-A1
50,000,000.00	78015DFQ8	9/28/2021	Royal Bank of Canada	6/24/2022	0.150	49,943,958.33	99.89	49,895,345.00	0.00	49,895,345.00	0.98	0.150	Moodys-P1	S&P-A1
25,000,000.00	22533UFW8	10/4/2021	Credit Agricole	6/30/2022	0.120	24,977,583.33	99.91	24,945,252.50	0.00	24,945,252.50	0.49	0.120	Moodys-P1	S&P-A1
25,000,000.00	22533UG15	10/8/2021	Credit Agricole	7/1/2022	0.110	24,979,680.56	99.92	24,944,245.00	0.00	24,944,245.00	0.49	0.110	Moodys-P1	S&P-A1
50,000,000.00	2254EBGF2	10/21/2021	Credit Suisse	7/15/2022	0.200	49,925,833.33	99.85	49,925,830.00	0.00	49,925,830.00	0.98	0.200	Moodys-P1	S&P-A1
50,000,000.00	09659CGU6	11/1/2021	BNP	7/28/2022	0.155	49,942,090.28	99.88	49,827,505.00	0.00	49,827,505.00	0.98	0.155	Moodys-P1	S&P-A1
21,000,000.00	71344UHF9	3/28/2022	PepsiCo.	8/15/2022	0.833	20,932,216.67	99.68	20,907,482.40	0.00	20,907,482.40	0.41	0.833	Moodys-P1	S&P-A1
50,000,000.00	89233HJ62	12/10/2021	Toyota	9/6/2022	0.381	49,857,500.00	99.72	49,745,600.00	0.00	49,745,600.00	0.98	0.381	Moodys-P1	S&P-A1
50,000,000.00	86562LJP8	3/28/2022	Sumitomo Mitsui	9/23/2022	1.288	49,681,777.78	99.36	49,646,200.00	0.00	49,646,200.00	0.98	1.288	Moodys-P1	S&P-A1
50,000,000.00	63873KMP9	3/28/2022	Natixis	12/23/2022	1.866	49,310,000.00	98.62	49,332,125.00	0.00	49,332,125.00	0.98	1.866	Moodys-P1	S&P-A1
796,000,000.00						794,307,670.84		794,008,682.40	0.00	794,008,682.40	15.67	0.450		
MEDIUM TERM NOTES														
5,000,000.00	166756AF3	8/12/2020	Chevron	8/12/2022	0.333	5,007,300.00	100.15	4,982,300.00	2,266.25	4,984,566.25	0.10	0.260	Moodys-Aa2	S&P-AA
20,000,000.00	037833DL1	9/11/2019	Apple	9/11/2022	1.700	20,000,000.00	100.00	20,034,000.00	18,888.89	20,052,888.89	0.39	1.700	Moodys-Aa1	S&P-AA+
25,000,000.00						25,007,300.00		25,016,300.00	21,155.14	25,037,455.14	0.49	1.412		
MUNICIPAL BONDS														
20,000,000.00	13063DYU6	11/3/2020	California State	11/1/2022	3.000	21,105,800.00	105.53	20,193,600.00	250,000.00	20,443,600.00	0.39	0.220	Moodys-Aa2	S&P-AA-
20,000,000.00						21,105,800.00		20,193,600.00	250,000.00	20,443,600.00	0.39	0.220		
U.S. TREASURY														
50,000,000.00	912796N47	2/11/2022	Treasury	4/7/2022	0.147	49,988,923.61	99.98	49,999,000.00	0.00	49,999,000.00	0.98	0.147	Moodys-Aaa	S&P-AA+
25,000,000.00	912796T82	2/14/2022	Treasury	4/12/2022	0.218	24,991,489.58	99.97	24,999,000.00	0.00	24,999,000.00	0.49	0.218	Moodys-Aaa	S&P-AA+
25,000,000.00	912796T82	2/15/2022	Treasury	4/12/2022	0.213	24,991,833.33	99.97	24,999,000.00	0.00	24,999,000.00	0.49	0.213	Moodys-Aaa	S&P-AA+
25,000,000.00	912796P29	2/14/2022	Treasury	4/14/2022	0.214	24,991,354.86	99.97	24,998,500.00	0.00	24,998,500.00	0.49	0.214	Moodys-Aaa	S&P-AA+
25,000,000.00	912796T90	2/18/2022	Treasury	4/19/2022	0.221	24,990,937.50	99.96	24,998,250.00	0.00	24,998,250.00	0.49	0.221	Moodys-Aaa	S&P-AA+
25,000,000.00	912796T90	2/22/2022	Treasury	4/19/2022	0.213	24,991,833.33	99.97	24,998,250.00	0.00	24,998,250.00	0.49	0.213	Moodys-Aaa	S&P-AA+
25,000,000.00	912796T90	2/22/2022	Treasury	4/19/2022	0.243	24,990,666.67	99.96	24,998,250.00	0.00	24,998,250.00	0.49	0.243	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U23	3/1/2022	Treasury	4/26/2022	0.231	24,991,152.78	99.96	24,997,750.00	0.00	24,997,750.00	0.49	0.231	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U72	3/8/2022	Treasury	5/3/2022	0.246	24,990,569.44	99.96	24,996,500.00	0.00	24,996,500.00	0.49	0.246	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U80	3/15/2022	Treasury	5/10/2022	0.264	24,989,888.89	99.96	24,994,500.00	0.00	24,994,500.00	0.49	0.264	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U80	3/15/2022	Treasury	5/10/2022	0.254	24,990,277.78	99.96	24,994,500.00	0.00	24,994,500.00	0.49	0.254	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U98	3/17/2022	Treasury	5/17/2022	0.264	24,988,986.11	99.96	24,992,750.00	0.00	24,992,750.00	0.49	0.264	Moodys-Aaa	S&P-AA+
25,000,000.00	912796U98	3/22/2022	Treasury	5/17/2022	0.284	24,989,111.11	99.96	24,992,750.00	0.00	24,992,750.00	0.49	0.284	Moodys-Aaa	S&P-AA+
25,000,000.00	912796H44	11/16/2021	Treasury	5/19/2022	0.051	24,993,611.11	99.97	24,991,750.00	0.00	24,991,750.00	0.49	0.051	Moodys-Aaa	S&P-AA+
25,000,000.00	9128286Y1	12/15/2021	Treasury	6/15/2022	1.750	25,208,007.81	100.83	25,062,500.00	127,403.84	25,189,903.84	0.49	0.085	Moodys-Aaa	S&P-AA+
25,000,000.00	912796R50	12/30/2021	Treasury	6/30/2022	0.162	24,979,777.78	99.92	24,967,750.00	0.00	24,967,750.00	0.49	0.162	Moodys-Aaa	S&P-AA+
25,000,000.00	912796K57	11/30/2021	Treasury	7/14/2022	0.091	24,985,875.00	99.94	24,956,000.00	0.00	24,956,000.00	0.49	0.091	Moodys-Aaa	S&P-AA+
25,000,000.00	912796L64	10/27/2021	Treasury	8/11/2022	0.086	24,983,000.00	99.93	24,923,750.00	0.00	24,923,750.00	0.49	0.086	Moodys-Aaa	S&P-AA+
50,000,000.00	912796L64	11/10/2021	Treasury	8/11/2022	0.076	49,971,458.33	99.94	49,847,500.00	0.00	49,847,500.00	0.98	0.076	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAG6	12/8/2021	Treasury	8/31/2022	0.125	24,991,210.94	99.96	24,920,000.00	2,632.47	24,922,632.47	0.49	0.173	Moodys-Aaa	S&P-AA+

San Joaquin County

PORTFOLIO HOLDINGS

March, 31, 2022

Quantity	Security Identification	Settlement Date	Security	Maturity Date	Rate	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
25,000,000.00	912796M71	9/27/2021	Treasury	9/8/2022	0.071	24,983,180.56	99.93	24,899,500.00	0.00	24,899,500.00	0.49	0.071	Moodys-Aaa	S&P-AA+
25,000,000.00	912796M71	9/30/2021	Treasury	9/8/2022	0.066	24,984,517.36	99.94	24,899,500.00	0.00	24,899,500.00	0.49	0.066	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YF1	9/27/2021	Treasury	9/15/2022	1.500	25,345,469.77	101.38	25,062,500.00	16,304.35	25,078,804.35	0.49	0.070	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAN1	10/20/2021	Treasury	9/30/2022	0.125	25,009,765.63	100.04	24,888,750.00	0.00	24,888,750.00	0.49	0.084	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAN1	12/9/2021	Treasury	9/30/2022	0.125	24,976,562.50	99.91	24,888,750.00	0.00	24,888,750.00	0.49	0.241	Moodys-Aaa	S&P-AA+
25,000,000.00	912796M89	10/13/2021	Treasury	10/6/2022	0.086	24,978,868.06	99.92	24,865,750.00	0.00	24,865,750.00	0.49	0.086	Moodys-Aaa	S&P-AA+
25,000,000.00	912796M89	10/20/2021	Treasury	10/6/2022	0.091	24,978,062.50	99.91	24,865,750.00	0.00	24,865,750.00	0.49	0.091	Moodys-Aaa	S&P-AA+
25,000,000.00	912796M89	10/25/2021	Treasury	10/6/2022	0.107	24,974,770.83	99.90	24,865,750.00	0.00	24,865,750.00	0.49	0.107	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YK0	10/15/2021	Treasury	10/15/2022	1.375	25,320,312.50	101.28	25,032,250.00	157,709.48	25,189,959.48	0.49	0.093	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAR2	11/2/2020	Treasury	10/31/2022	0.125	24,996,093.75	99.98	24,849,500.00	13,035.22	24,862,535.22	0.49	0.133	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAR2	11/1/2021	Treasury	10/31/2022	0.125	25,004,882.81	100.02	24,849,500.00	13,035.22	24,862,535.22	0.49	0.105	Moodys-Aaa	S&P-AA+
25,000,000.00	912796N96	11/4/2021	Treasury	11/3/2022	0.152	24,962,083.33	99.85	24,849,750.00	0.00	24,849,750.00	0.49	0.152	Moodys-Aaa	S&P-AA+
25,000,000.00	912796N96	11/30/2021	Treasury	11/3/2022	0.193	24,955,402.78	99.82	24,849,750.00	0.00	24,849,750.00	0.49	0.193	Moodys-Aaa	S&P-AA+
25,000,000.00	912796N96	12/7/2021	Treasury	11/3/2022	0.213	24,951,729.17	99.81	24,849,750.00	0.00	24,849,750.00	0.49	0.213	Moodys-Aaa	S&P-AA+
25,000,000.00	912828TY6	11/15/2021	Treasury	11/15/2022	1.625	25,367,750.00	101.47	25,056,750.00	152,624.31	25,209,374.31	0.49	0.152	Moodys-Aaa	S&P-AA+
25,000,000.00	912828TY6	11/15/2021	Treasury	11/15/2022	1.625	25,374,023.44	101.50	25,056,750.00	152,624.31	25,209,374.31	0.49	0.128	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAX9	12/2/2021	Treasury	11/30/2022	0.125	24,966,796.88	99.87	24,806,750.00	10,388.05	24,817,138.05	0.49	0.259	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAX9	12/3/2021	Treasury	11/30/2022	0.125	24,968,750.00	99.88	24,806,750.00	10,388.05	24,817,138.05	0.49	0.251	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAX9	12/9/2021	Treasury	11/30/2022	0.125	24,953,125.00	99.81	24,806,750.00	10,388.05	24,817,138.05	0.49	0.318	Moodys-Aaa	S&P-AA+
25,000,000.00	912796P94	12/8/2021	Treasury	12/1/2022	0.280	24,931,631.94	99.73	24,811,000.00	0.00	24,811,000.00	0.49	0.280	Moodys-Aaa	S&P-AA+
25,000,000.00	912796P94	12/9/2021	Treasury	12/1/2022	0.241	24,941,243.75	99.76	24,811,000.00	0.00	24,811,000.00	0.49	0.241	Moodys-Aaa	S&P-AA+
25,000,000.00	912796P94	12/22/2021	Treasury	12/1/2022	0.252	24,940,875.00	99.76	24,811,000.00	0.00	24,811,000.00	0.49	0.252	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YW4	12/15/2021	Treasury	12/15/2022	1.625	25,336,914.06	101.35	25,049,750.00	118,303.57	25,168,053.57	0.49	0.275	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YW4	12/15/2021	Treasury	12/15/2022	1.625	25,342,773.44	101.37	25,049,750.00	118,303.57	25,168,053.57	0.49	0.251	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YW4	12/16/2021	Treasury	12/15/2022	1.625	25,333,367.44	101.33	25,049,750.00	118,303.57	25,168,053.57	0.49	0.285	Moodys-Aaa	S&P-AA+
25,000,000.00	912796R27	12/30/2021	Treasury	12/29/2022	0.305	24,924,166.67	99.70	24,768,000.00	0.00	24,768,000.00	0.49	0.305	Moodys-Aaa	S&P-AA+
25,000,000.00	912828ZH6	4/15/2021	Treasury	4/15/2023	0.250	25,044,250.00	100.18	24,622,000.00	28,674.45	24,650,674.45	0.49	0.161	Moodys-Aaa	S&P-AA+
25,000,000.00	9128284L1	4/22/2021	Treasury	4/30/2023	2.750	26,311,875.00	105.25	25,258,750.00	286,774.86	25,545,524.86	0.49	0.150	Moodys-Aaa	S&P-AA+
25,000,000.00	912828VB3	4/22/2021	Treasury	5/15/2023	1.750	25,818,750.00	103.28	24,971,750.00	164,364.64	25,136,114.64	0.49	0.160	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CCD1	12/27/2021	Treasury	5/31/2023	0.125	24,851,562.50	99.41	24,499,000.00	10,388.05	24,509,388.05	0.49	0.544	Moodys-Aaa	S&P-AA+
25,000,000.00	912828ZU7	12/15/2021	Treasury	6/15/2023	0.250	24,924,804.69	99.70	24,520,500.00	18,200.55	24,538,700.55	0.49	0.451	Moodys-Aaa	S&P-AA+
25,000,000.00	912828ZU7	12/27/2021	Treasury	6/15/2023	0.250	24,889,648.44	99.56	24,520,500.00	18,200.55	24,538,700.55	0.49	0.553	Moodys-Aaa	S&P-AA+
25,000,000.00	912828ZY9	4/7/2021	Treasury	7/15/2023	0.125	24,968,750.00	99.88	24,411,250.00	6,474.45	24,417,724.45	0.49	0.180	Moodys-Aaa	S&P-AA+
25,000,000.00	912828ZY9	12/13/2021	Treasury	7/15/2023	0.125	24,847,750.00	99.39	24,411,250.00	6,474.45	24,417,724.45	0.49	0.510	Moodys-Aaa	S&P-AA+
25,000,000.00	9128284X5	3/23/2021	Treasury	8/31/2023	2.750	26,555,500.00	106.22	25,240,250.00	57,914.40	25,298,164.40	0.49	0.190	Moodys-Aaa	S&P-AA+
25,000,000.00	9128284X5	3/25/2021	Treasury	8/31/2023	2.750	26,564,500.00	106.26	25,240,250.00	57,914.40	25,298,164.40	0.49	0.170	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAP6	4/15/2021	Treasury	10/15/2023	0.125	24,945,312.50	99.78	24,241,250.00	14,337.22	24,255,587.22	0.49	0.213	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CAW1	4/13/2021	Treasury	11/15/2023	0.250	24,997,500.00	99.99	24,238,250.00	23,480.66	24,261,730.66	0.49	0.254	Moodys-Aaa	S&P-AA+
25,000,000.00	91282CBE0	4/13/2021	Treasury	1/15/2024	0.125	24,888,862.50	99.56	24,069,250.00	6,474.45	24,075,724.45	0.49	0.287	Moodys-Aaa	S&P-AA+
25,000,000.00	912828D56	3/26/2021	Treasury	8/15/2024	2.375	26,675,000.00	106.70	24,964,000.00	72,168.51	25,036,168.51	0.49	0.385	Moodys-Aaa	S&P-AA+
25,000,000.00	912828YM6	4/8/2021	Treasury	10/31/2024	1.500	25,912,689.25	103.65	24,410,250.00	156,422.65	24,566,672.65	0.49	0.465	Moodys-Aaa	S&P-AA+
1,575,000,000.00						1,583,989,840.01		1,566,647,500.00	1,949,708.35	1,568,597,208.35	31.01	0.212		
FEDERAL AGENCIES														
25,000,000.00	3133EMBT8	10/1/2020	FFCB	4/1/2022	0.140	24,995,500.00	99.98	25,000,000.00	17,500.00	25,017,500.00	0.49	0.152	Moodys-Aaa	S&P-AA+
20,000,000.00	3135G0T45	4/5/2018	FNMA	4/5/2022	1.875	19,490,000.00	97.45	20,003,800.00	183,333.33	20,187,133.33	0.39	2.550	Moodys-Aaa	S&P-AA+
25,000,000.00	313385VM5	2/16/2022	FHLB	4/13/2022	0.210	24,991,833.33	99.97	24,998,500.00	0.00	24,998,500.00	0.49	0.210	Moodys-Aaa	S&P-AA+
20,000,000.00	313385WA0	2/25/2022	FHLB	4/26/2022	0.170	19,994,333.33	99.97	19,997,600.00	0.00	19,997,600.00	0.39	0.170	Moodys-Aaa	S&P-AA+
25,000,000.00	313385WB8	2/28/2022	FHLB	4/27/2022	0.220	24,991,138.89	99.96	24,997,000.00	0.00	24,997,000.00	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	313385WB8	3/2/2022	FHLB	4/27/2022	0.220	24,991,444.44	99.97	24,997,000.00	0.00	24,997,000.00	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMNU2	1/27/2021	FFCB	4/27/2022	0.100	24,998,750.00	100.00	24,987,500.00	10,694.44	24,998,194.44	0.49	0.104	Moodys-Aaa	S&P-AA+
25,000,000.00	313385WC6	2/28/2022	FHLB	4/28/2022	0.220	24,990,986.11	99.96	24,996,750.00	0.00	24,996,750.00	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	313385WD4	2/28/2022	FHLB	4/29/2022	0.220	24,990,833.33	99.96	24,996,750.00	0.00	24,996,750.00	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKZY5	9/25/2019	FFCB	6/1/2022	1.550	24,981,750.00	99.93	25,027,250.00	129,166.67	25,156,416.67	0.49	1.578	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKTG1	7/1/2019	FFCB	7/1/2022	1.750	25,000,000.00	100.00	25,069,000.00	109,375.00	25,178,375.00	0.49	1.750	Moodys-Aaa	S&P-AA+
25,000,000.00	3133ENCW8	10/29/2021	FFCB	7/29/2022	0.080	24,999,825.00	100.00	24,945,250.00	3,444.44	24,948,694.44	0.49	0.081	Moodys-Aaa	S&P-AA+
25,000,000.00	313313D96	10/29/2021	FFCB	8/31/2022	0.110	24,976,625.00	99.91	24,904,250.00	0.00	24,904,250.00	0.49	0.110	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMLF7	12/22/2020	FFCB	9/22/2022	0.120	25,000,000.00	100.00	24,872,250.00	750.00	24,873,000.00	0.49	0.120	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKS49	9/26/2019	FFCB	9/26/2022	1.690	25,000,000.00	100.00	25,094,000.00	5,868.06	25,099,868.06	0.49	1.690	Moodys-Aaa	S&P-AA+
18,000,000.00	3135G0T78	12/13/2021	FNMA	10/5/2022	2.000	18,258,480.00	101.44	18,077,760.00	176,000.00	18,253,760.00	0.35	0.227	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKAT3	10/5/2020	FHLB	10/5/2022	0.170	25,000,000.00	100.00	24,895,000.00	20,777.78	24,915,777.78	0.49	0.170	Moodys-Aaa	S&P-AA+

San Joaquin County

PORTFOLIO HOLDINGS

March, 31, 2022

Quantity	Security Identification	Settlement Date	Security	Maturity Date	Rate	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
25,000,000.00	3133ENAQ3	10/21/2021	FFCB	10/13/2022	0.070	24,993,750.00	99.98	24,866,250.00	8,166.67	24,874,416.67	0.49	0.096	Moodys-Aaa	S&P-AA+
25,000,000.00	3133ENAQ3	10/21/2021	FFCB	10/13/2022	0.070	24,993,750.00	99.98	24,866,250.00	8,166.67	24,874,416.67	0.49	0.096	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EHM91	11/1/2017	FFCB	11/1/2022	2.080	25,023,500.00	100.09	25,134,250.00	216,666.67	25,350,916.67	0.49	2.060	Moodys-Aaa	S&P-AA+
20,000,000.00	3130APR64	11/1/2021	FHLB	11/1/2022	0.125	20,000,000.00	100.00	19,893,000.00	10,416.67	19,903,416.67	0.39	0.125	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMGX4	12/9/2021	FFCB	11/23/2022	0.125	24,958,250.00	99.83	24,808,750.00	11,111.11	24,819,861.11	0.49	0.300	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXFF6	11/25/2020	FHLMC	11/23/2022	0.200	25,000,000.00	100.00	24,853,250.00	17,777.78	24,871,027.78	0.49	0.200	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXDG6	11/23/2020	FHLMC	11/23/2022	0.190	25,000,000.00	100.00	24,852,500.00	16,888.89	24,869,388.89	0.49	0.190	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMUU4	3/29/2021	FFCB	11/29/2022	0.120	25,000,000.00	100.00	24,796,250.00	10,166.67	24,806,416.67	0.49	0.120	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMUU4	3/29/2021	FFCB	11/29/2022	0.120	25,000,000.00	100.00	24,796,250.00	10,166.67	24,806,416.67	0.49	0.120	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMKU5	12/14/2020	FFCB	12/14/2022	0.125	24,990,000.00	99.96	24,829,250.00	9,288.20	24,838,538.20	0.49	0.145	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXGQ1	12/15/2020	FHLMC	12/15/2022	0.200	25,000,000.00	100.00	24,773,500.00	14,722.22	24,788,222.22	0.49	0.200	Moodys-Aaa	S&P-AA+
25,000,000.00	313385T30	12/17/2021	FHLB	12/15/2022	0.241	24,939,500.00	99.76	24,771,250.00	0.00	24,771,250.00	0.49	0.241	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMKH4	12/15/2020	FFCB	12/15/2022	0.160	25,000,000.00	100.00	24,750,750.00	11,777.78	24,762,527.78	0.49	0.160	Moodys-Aaa	S&P-AA+
25,000,000.00	3133ENAH3	10/20/2021	FFCB	1/12/2023	0.120	24,981,750.00	99.93	24,714,000.00	6,583.33	24,720,583.33	0.49	0.180	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GW7H3	11/10/2020	FHLMC	2/10/2023	0.200	25,000,000.00	100.00	24,754,000.00	19,583.33	24,773,583.33	0.49	0.200	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GW7J9	11/16/2020	FHLMC	2/16/2023	0.200	25,000,000.00	100.00	24,744,500.00	18,750.00	24,763,250.00	0.49	0.200	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EL4K7	8/24/2020	FFCB	2/24/2023	0.260	25,000,000.00	100.00	24,719,250.00	6,680.56	24,725,930.56	0.49	0.260	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXFP4	12/14/2020	FHLMC	3/14/2023	0.220	25,000,000.00	100.00	24,708,000.00	16,347.22	24,724,347.22	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXFB5	12/14/2020	FHLMC	3/14/2023	0.220	25,000,000.00	100.00	24,708,000.00	16,347.22	24,724,347.22	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMVP4	4/13/2021	FFCB	4/13/2023	0.125	24,987,500.00	99.95	24,597,000.00	14,583.33	24,611,583.33	0.49	0.150	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMVP4	4/13/2021	FFCB	4/13/2023	0.125	24,982,036.25	99.93	24,597,000.00	14,583.33	24,611,583.33	0.49	0.161	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMPA4	2/3/2021	FFCB	5/3/2023	0.125	24,995,000.00	99.98	24,594,250.00	12,847.22	24,607,097.22	0.49	0.134	Moodys-Aaa	S&P-AA+
15,000,000.00	3133ELEL4	12/19/2019	FFCB	5/17/2023	1.690	15,000,000.00	100.00	14,998,350.00	94,358.33	15,092,708.33	0.30	1.690	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXCB8	11/19/2020	FHLMC	5/19/2023	0.250	25,000,000.00	100.00	24,506,750.00	22,916.67	24,529,666.67	0.49	0.250	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMKG6	12/15/2020	FFCB	6/15/2023	0.200	25,000,000.00	100.00	24,501,750.00	14,722.22	24,516,472.22	0.49	0.200	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GW7L4	11/4/2020	FHLMC	8/4/2023	0.250	25,000,000.00	100.00	24,461,750.00	25,520.83	24,487,270.83	0.49	0.250	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMQK1	2/10/2021	FFCB	8/10/2023	0.150	25,000,000.00	100.00	24,386,000.00	5,312.50	24,391,312.50	0.49	0.150	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AJYU7	8/24/2020	FHLB	8/24/2023	0.330	25,000,000.00	100.00	24,487,500.00	8,479.17	24,495,979.17	0.49	0.330	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXGA6	12/15/2020	FHLMC	9/15/2023	0.250	25,000,000.00	100.00	24,434,250.00	18,402.78	24,452,652.78	0.49	0.250	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMLE0	12/22/2020	FFCB	9/22/2023	0.190	25,000,000.00	100.00	24,406,250.00	1,187.50	24,407,437.50	0.49	0.190	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMUF7	3/22/2021	FFCB	9/22/2023	0.220	25,000,000.00	100.00	24,357,750.00	1,375.00	24,359,125.00	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EKS56	9/25/2019	FFCB	9/25/2023	1.700	25,000,000.00	100.00	24,893,750.00	7,083.33	24,900,833.33	0.49	1.700	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AQAL7	12/29/2021	FHLB	9/29/2023	0.650	25,000,000.00	100.00	24,540,000.00	902.78	24,540,902.78	0.49	0.650	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXJH8	12/29/2020	FHLMC	9/29/2023	0.220	25,000,000.00	100.00	24,328,500.00	14,055.56	24,342,555.56	0.49	0.220	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMVN9	4/12/2021	FFCB	10/12/2023	0.250	24,996,250.00	99.99	24,391,000.00	29,340.28	24,420,340.28	0.49	0.256	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EK4X1	11/1/2019	FFCB	11/1/2023	1.600	24,952,500.00	99.81	24,833,500.00	166,666.67	25,000,166.67	0.49	1.649	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMPB2	2/3/2021	FFCB	11/3/2023	0.170	25,000,000.00	100.00	24,324,250.00	17,472.22	24,341,722.22	0.49	0.170	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMPB2	2/3/2021	FFCB	11/3/2023	0.170	24,993,750.00	99.98	24,324,250.00	17,472.22	24,341,722.22	0.49	0.179	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXCA0	11/24/2020	FHLMC	11/24/2023	0.320	25,000,000.00	100.00	24,282,000.00	28,222.22	24,310,222.22	0.49	0.320	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKGL4	11/27/2020	FHLB	11/27/2023	0.300	25,000,000.00	100.00	24,335,250.00	25,833.33	24,361,083.33	0.49	0.300	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMHL9	11/30/2020	FFCB	11/30/2023	0.310	25,000,000.00	100.00	24,238,500.00	25,833.33	24,264,333.33	0.49	0.310	Moodys-Aaa	S&P-AA+
25,000,000.00	3135GA6J5	12/7/2020	FNMA	12/7/2023	0.320	25,000,000.00	100.00	24,265,750.00	25,333.33	24,291,083.33	0.49	0.320	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKKP0	12/22/2020	FHLB	12/22/2023	0.190	24,968,750.00	99.88	24,247,750.00	13,062.50	24,260,812.50	0.49	0.232	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKKP0	12/22/2020	FHLB	12/22/2023	0.190	24,975,500.00	99.90	24,247,750.00	13,062.50	24,260,812.50	0.49	0.223	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMLT7	12/28/2020	FFCB	12/28/2023	0.210	25,000,000.00	100.00	24,141,250.00	13,562.50	24,154,812.50	0.49	0.210	Moodys-Aaa	S&P-AA+
25,000,000.00	3135GAC33	12/29/2020	FNMA	12/29/2023	0.300	25,000,000.00	100.00	24,282,750.00	19,166.67	24,301,916.67	0.49	0.300	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALTL8	4/23/2021	FHLB	1/23/2024	0.300	25,000,000.00	100.00	24,238,250.00	14,166.67	24,252,416.67	0.49	0.300	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AM6J6	5/13/2021	FHLB	2/13/2024	0.340	25,000,000.00	100.00	24,220,000.00	32,583.33	24,252,583.33	0.49	0.340	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AK3R5	9/8/2020	FHLB	3/8/2024	0.370	25,000,000.00	100.00	24,106,250.00	5,909.72	24,112,159.72	0.49	0.370	Moodys-Aaa	S&P-AA+
15,000,000.00	3133EMTD4	3/15/2021	FFCB	3/15/2024	0.370	15,000,000.00	100.00	14,449,500.00	2,466.67	14,451,966.67	0.30	0.370	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKKF2	12/28/2020	FHLB	3/28/2024	0.270	25,000,000.00	100.00	24,037,500.00	562.50	24,038,062.50	0.49	0.270	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMVD1	4/5/2021	FFCB	4/5/2024	0.330	25,000,000.00	100.00	24,021,500.00	40,333.33	24,061,833.33	0.49	0.330	Moodys-Aaa	S&P-AA+
25,000,000.00	3133ELVX9	4/8/2020	FFCB	4/8/2024	0.875	25,000,000.00	100.00	24,274,000.00	105,121.53	24,379,121.53	0.49	0.875	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AM2C5	5/3/2021	FHLB	5/3/2024	0.400	25,000,000.00	100.00	24,118,250.00	41,111.11	24,159,361.11	0.49	0.400	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXBD5	11/25/2020	FHLMC	5/15/2024	0.360	25,000,000.00	100.00	23,950,250.00	34,000.00	23,984,250.00	0.49	0.360	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GXBD5	12/9/2020	FHLMC	5/15/2024	0.360	25,000,000.00	100.00	23,950,250.00	34,000.00	23,984,250.00	0.49	0.360	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALAK0	2/24/2021	FHLB	5/24/2024	0.250	25,000,000.00	100.00	23,905,500.00	22,048.61	23,927,548.61	0.49	0.250	Moodys-Aaa	S&P-AA+
20,000,000.00	3130ALPA6	3/30/2021	FHLB	5/30/2024	0.470	20,000,000.00	100.00	19,294,400.00	0.00	19,294,400.00	0.39	0.470	Moodys-Aaa	S&P-AA+
25,000,000.00	3134GWJ64	9/10/2020	FHLMC	6/10/2024	0.400	25,000,000.00	100.00	23,919,000.00	5,833.33	23,924,833.33	0.49	0.400	Moodys-Aaa	S&P-AA+
20,000,000.00	3130A1XJ2	6/14/2019	FHLB	6/14/2024	2.875	20,906,400.00	104.53	20,202,400.00	170,902.78	20,373,302.78	0.39	1.920	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EKTV8	7/1/2019	FFCB	7/1/2024	1.900	20,036,620.00	100.18	19,855,000.00	95,000.00	19,950,000.00	0.39	1.861	Moodys-Aaa	S&P-AA+

Quantity	Security Identification	Settlement Date	Security	Maturity Date	Rate	Cost Value	Cost Price	Market Value	Accrued Interest	Market Value + Accrued Interest	% of Portfolio	YTM @ Cost	Credit Rating 1	Credit Rating 2
25,000,000.00	3130ALWZ3	4/22/2021	FHLB	7/22/2024	0.500	25,000,000.00	100.00	24,062,000.00	55,208.33	24,117,208.33	0.49	0.500	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AM5L2	5/6/2021	FHLB	8/6/2024	0.500	25,000,000.00	100.00	24,109,000.00	50,347.22	24,159,347.22	0.49	0.500	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AKX84	2/23/2021	FFCB	8/23/2024	0.270	25,000,000.00	100.00	23,843,500.00	7,125.00	23,850,625.00	0.49	0.270	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALDJ0	2/26/2021	FHLB	8/26/2024	0.330	25,000,000.00	100.00	23,759,250.00	8,020.83	23,767,270.83	0.49	0.330	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AQBU6	12/30/2021	FHLB	9/30/2024	1.100	25,000,000.00	100.00	24,323,000.00	0.00	24,323,000.00	0.49	1.100	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALTH7	3/30/2021	FHLB	9/30/2024	0.510	25,000,000.00	100.00	23,763,500.00	0.00	23,763,500.00	0.49	0.510	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALRM8	3/29/2021	FHLB	11/29/2024	0.600	25,000,000.00	100.00	23,827,500.00	833.33	23,828,333.33	0.49	0.600	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMLP5	12/23/2020	FFCB	12/23/2024	0.320	25,000,000.00	100.00	23,628,750.00	21,777.78	23,650,527.78	0.49	0.320	Moodys-Aaa	S&P-AA+
20,000,000.00	3134GXJM7	12/30/2020	FHLMC	12/30/2024	0.330	20,000,000.00	100.00	18,896,600.00	16,500.00	18,913,100.00	0.39	0.330	Moodys-Aaa	S&P-AA+
20,000,000.00	3130AJ2C2	2/3/2020	FHLB	2/3/2025	1.625	20,000,000.00	100.00	19,567,800.00	52,361.11	19,620,161.11	0.39	1.625	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMJP8	12/10/2020	FFCB	3/10/2025	0.490	25,000,000.00	100.00	23,597,250.00	7,145.83	23,604,395.83	0.49	0.490	Moodys-Aaa	S&P-AA+
25,000,000.00	3133EMTQ5	3/17/2021	FFCB	3/17/2025	0.700	25,000,000.00	100.00	23,766,250.00	6,805.56	23,773,055.56	0.49	0.700	Moodys-Aaa	S&P-AA+
20,000,000.00	3133EMBK7	12/11/2020	FFCB	4/7/2025	0.450	20,000,000.00	100.00	18,798,000.00	43,500.00	18,841,500.00	0.39	0.450	Moodys-Aaa	S&P-AA+
25,000,000.00	3130ALU93	3/30/2021	FHLB	6/30/2025	0.750	25,000,000.00	100.00	23,640,250.00	0.00	23,640,250.00	0.49	0.750	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AQBW2	12/15/2021	FHLB	9/15/2025	1.330	25,000,000.00	100.00	24,128,750.00	14,777.78	24,143,527.78	0.49	1.330	Moodys-Aaa	S&P-AA+
25,000,000.00	3135G06J7	12/10/2020	FNMA	12/10/2025	0.650	25,012,500.00	100.05	23,346,750.00	50,104.17	23,396,854.17	0.49	0.640	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AM6U1	4/28/2021	FHLB	4/28/2026	0.625	25,000,000.00	100.00	23,754,000.00	66,406.25	23,820,406.25	0.49	0.996	Moodys-Aaa	S&P-AA+
20,000,000.00	3133ENGT1	12/9/2021	FFCB	12/9/2026	1.190	19,998,000.00	99.99	18,846,800.00	74,044.44	18,920,844.44	0.39	1.192	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AQDN0	12/30/2021	FHLB	12/30/2026	1.460	25,000,000.00	100.00	23,955,750.00	91,250.00	24,047,000.00	0.49	1.460	Moodys-Aaa	S&P-AA+
25,000,000.00	3130AQGG2	1/14/2022	FHLB	1/14/2027	1.500	25,000,000.00	100.00	24,025,500.00	80,208.33	24,105,708.33	0.49	1.500	Moodys-Aaa	S&P-AA+
2,373,000,000.00						2,373,336,805.68		2,320,386,010.00	2,988,331.24	2,323,374,341.24	46.73	0.501		
TOTAL PORTFOLIO														
5,078,280,928.12						5,087,028,344.65		5,015,533,020.52	5,209,194.73	5,020,742,215.25	100	0.392		

San Joaquin County

TRANSACTION SUMMARY

From March 1, 2022 to March 31, 2022

Security	Security Symbol	YTM @	Trade	Settlement	Maturity	Quantity	Principal	Price	Interest/Dividends	Total	Broker/Dealer
PURCHASES											
Apple 0 4/26/2022	03785EDS0	0.290	3/16/2022	3/16/2022	4/26/2022	50,000,000.00	49,983,486.11	99.966972	0.00	49,983,486.11	Union Bank
FHLB 0 4/27/2022	313385WB8	0.220	3/2/2022	3/2/2022	4/27/2022	25,000,000.00	24,991,444.44	99.965778	0.00	24,991,444.44	Union Bank
JP Morgan 0 4/22/2022	46640QDN8	0.400	3/1/2022	3/1/2022	4/22/2022	50,000,000.00	49,971,111.11	99.942222	0.00	49,971,111.11	Piper Sandler & Co.
Lloyds 0 5/23/2022	53943SEP8	0.551	3/24/2022	3/24/2022	5/23/2022	50,000,000.00	49,954,166.67	99.908333	0.00	49,954,166.67	Union Bank
MUFG Bank 0 5/18/2022	62479MEJ8	0.636	3/18/2022	3/21/2022	5/18/2022	25,000,000.00	24,974,423.61	99.897694	0.00	24,974,423.61	Union Bank
MUFG Bank 0 5/20/2022	62479MEL3	0.661	3/21/2022	3/22/2022	5/20/2022	25,000,000.00	24,972,958.33	99.891833	0.00	24,972,958.33	BNP Paribas Securities
Natixis 0 12/23/2022	63873KMP9	1.866	3/28/2022	3/28/2022	12/23/2022	50,000,000.00	49,310,000.00	98.62	0.00	49,310,000.00	UBS Financial Services
PepsiCo. 0 8/15/2022	71344UHF9	0.833	3/28/2022	3/28/2022	8/15/2022	21,000,000.00	20,932,216.67	99.677222	0.00	20,932,216.67	Union Bank
Sumitomo Mitsui 0 9/23/2022	86562LJP8	1.288	3/25/2022	3/28/2022	9/23/2022	50,000,000.00	49,681,777.78	99.363556	0.00	49,681,777.78	Union Bank
T-Bill 0 4/26/2022	912796U23	0.231	2/23/2022	3/1/2022	4/26/2022	25,000,000.00	24,991,152.78	99.964611	0.00	24,991,152.78	BNP Paribas Securities
T-Bill 0 5/10/2022	912796U80	0.254	3/15/2022	3/15/2022	5/10/2022	25,000,000.00	24,990,277.78	99.961111	0.00	24,990,277.78	UBS Financial Services
T-Bill 0 5/10/2022	912796U80	0.264	3/15/2022	3/15/2022	5/10/2022	25,000,000.00	24,989,888.89	99.959556	0.00	24,989,888.89	BNP Paribas Securities
T-Bill 0 5/17/2022	912796U98	0.284	3/15/2022	3/22/2022	5/17/2022	25,000,000.00	24,989,111.11	99.956444	0.00	24,989,111.11	Union Bank
T-Bill 0 5/17/2022	912796U98	0.264	3/15/2022	3/17/2022	5/17/2022	25,000,000.00	24,988,986.11	99.955944	0.00	24,988,986.11	BNP Paribas Securities
T-Bill 0 5/3/2022	912796U72	0.246	3/2/2022	3/8/2022	5/3/2022	25,000,000.00	24,990,569.44	99.962278	0.00	24,990,569.44	BNP Paribas Securities
Walmart 0 4/11/2022	93114FDB7	0.260	3/15/2022	3/16/2022	4/11/2022	50,000,000.00	49,990,611.11	99.981222	0.00	49,990,611.11	Union Bank
Sub Total						546,000,000.00	544,702,181.94		0.00	544,702,181.94	
INTEREST											
Apple 1.7 9/11/2022	037833DL1	0.000	3/11/2022	3/11/2022	9/11/2022	0.00	0.00		170,000.00	170,000.00	Union Bank
FFCB 0.12 9/22/2022-21	3133EMLF7	0.000	3/22/2022	3/22/2022	9/22/2022	0.00	0.00		15,000.00	15,000.00	Union Bank
FFCB 0.19 9/22/2023-21	3133EMLE0	0.000	3/22/2022	3/22/2022	9/22/2023	0.00	0.00		23,750.00	23,750.00	BNP Paribas Securities
FFCB 0.22 9/22/2023	3133EMUF7	0.000	3/22/2022	3/22/2022	9/22/2023	0.00	0.00		27,500.00	27,500.00	UBS Financial Services
FFCB 0.37 3/15/2024-22	3133EMTD4	0.000	3/15/2022	3/15/2022	3/15/2024	0.00	0.00		27,750.00	27,750.00	Raymond James
FFCB 0.49 3/10/2025-21	3133EMJP8	0.000	3/10/2022	3/10/2022	3/10/2025	0.00	0.00		61,250.00	61,250.00	Wells Fargo
FFCB 0.7 3/17/2025-22	3133EMTQ5	0.000	3/17/2022	3/17/2022	3/17/2025	0.00	0.00		87,500.00	87,500.00	Union Bank
FFCB 1.69 9/26/2022	3133EKS49	0.000	3/26/2022	3/26/2022	9/26/2022	0.00	0.00		211,250.00	211,250.00	BNP Paribas Securities
FFCB 1.7 9/25/2023	3133EKS56	0.000	3/25/2022	3/25/2022	9/25/2023	0.00	0.00		212,500.00	212,500.00	Raymond James
FHLB 0.27 3/28/2024-21	3130AKKF2	0.000	3/28/2022	3/28/2022	3/28/2024	0.00	0.00		33,750.00	33,750.00	BNP Paribas Securities
FHLB 0.37 3/8/2024-21	3130AK3R5	0.000	3/8/2022	3/8/2022	3/8/2024	0.00	0.00		46,250.00	46,250.00	Wells Fargo
FHLB 0.47 5/30/2024-21	3130ALPA6	0.000	3/30/2022	3/30/2022	5/30/2024	0.00	0.00		47,000.00	47,000.00	BNP Paribas Securities
FHLB 0.51 9/30/2024-21	3130ALTH7	0.000	3/31/2022	3/31/2022	9/30/2024	0.00	0.00		63,750.00	63,750.00	Piper Sandler
FHLB 0.6 11/29/2024-21	3130ALRM8	0.000	3/29/2022	3/29/2022	11/29/2024	0.00	0.00		75,000.00	75,000.00	Wells Fargo
FHLB 0.65 9/29/2023-22	3130AQAL7	0.000	3/29/2022	3/29/2022	9/29/2023	0.00	0.00		40,625.00	40,625.00	Multi-Bank Securities
FHLB 0.75 6/30/2025-21	3130ALU93	0.000	3/30/2022	3/30/2022	6/30/2025	0.00	0.00		93,750.00	93,750.00	Wells Fargo
FHLB 1.1 9/30/2024-22	3130AQBU6	0.000	3/30/2022	3/30/2022	9/30/2024	0.00	0.00		68,750.00	68,750.00	UBS Financial Services
FHLB 1.33 9/15/2025-22	3130AQBW2	0.000	3/15/2022	3/15/2022	9/15/2025	0.00	0.00		83,125.00	83,125.00	BNP Paribas Securities
FHLB 2.5 3/11/2022	313378WG2	0.000	3/11/2022	3/11/2022	3/11/2022	0.00	0.00		125,000.00	125,000.00	Multi-Bank Securities
FHLMC 0.4 6/10/2024-21	3134GWJ64	0.000	3/10/2022	3/10/2022	6/10/2024	0.00	0.00		50,000.00	50,000.00	BNP Paribas Securities
T-Note 0.125 9/30/2022	91282CAN1	0.000	3/31/2022	3/31/2022	9/30/2022	0.00	0.00		31,250.00	31,250.00	Union Bank / Wells Fargo
T-Note 1.5 9/15/2022	912828YF1	0.000	3/15/2022	3/15/2022	9/15/2022	0.00	0.00		187,500.00	187,500.00	BNP Paribas Securities
Sub Total						0.00	0.00		1,782,250.00	1,782,250.00	
MATURED											
FHLB 2.5 3/11/2022	313378WG2	0.000	3/11/2022	3/11/2022	3/11/2022	10,000,000.00	10,000,000.00	0	0.00	10,000,000.00	Multi-Bank Securities
MUFG Bank 0 3/18/2022	62479MCJ0	0.000	3/18/2022	3/18/2022	3/18/2022	50,000,000.00	50,000,000.00	0	0.00	50,000,000.00	Union Bank
Sumitomo Mitsui 0 3/21/2022	86562LCM2	0.000	3/21/2022	3/21/2022	3/21/2022	50,000,000.00	50,000,000.00	0	0.00	50,000,000.00	Union Bank
T-Bill 0 3/22/2022	912796S91	0.000	3/22/2022	3/22/2022	3/22/2022	25,000,000.00	25,000,000.00	0	0.00	25,000,000.00	BNP Paribas Securities
T-Bill 0 3/29/2022	912796T25	0.000	3/29/2022	3/29/2022	3/29/2022	25,000,000.00	25,000,000.00	0	0.00	25,000,000.00	BNP Paribas Securities
Sub Total						160,000,000.00	160,000,000.00		0.00	160,000,000.00	

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

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

General

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

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

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

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 effect 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 the District (or the Paying Agent on behalf thereof) as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

Principal, premium, if any, and interest 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 the District or Paying 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 securities 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 nor its nominee, Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, premium, if any, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or Paying 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 the District or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). Discontinuance of use of the system of book-entry transfers through DTC may require the approval of DTC Participants under DTC's operational arrangements. In that event, printed certificates for the Bonds will be printed and delivered.

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.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

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

The principal of the Bonds and any premium and interest upon the redemption thereof prior to the maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the office of the Paying Agent, initially located in St. Paul, Minnesota. Interest on the Bonds will be paid by the Paying Agent by check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered owner, and to that person's address appearing on the registration books as of the close of business on the Record Date. At the written request of any registered owner of at least $1,000,000 in aggregate principal, payments shall be wired to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of any authorized denomination upon presentation and surrender at the office of the Paying Agent, initially located in St. Paul, Minnesota, together with a request for exchange signed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond registration books upon presentation and surrender of the Bond at such office of the Paying Agent together with an assignment executed by the registered owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent shall complete, authenticate and deliver a new Bond or Bonds of any authorized denomination or denominations requested by the owner equal in the aggregate to the unmatured principal amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required to exchange or transfer any Bond during the period from the Record Date through the next Interest Payment Date.