

# SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT (Los Angeles County, California)

## Post Pricing Book

\$74,720,000 2020 Refunding General Obligation Bonds (Federally Taxable)

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August 7, 2020



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# SECTION 1

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## Financing Summary

# 2020 REFUNDING GENERAL OBLIGATION BONDS (FEDERALLY TAXABLE)

**NEW ISSUE -- FULL BOOK-ENTRY** **RATING: Moody's: "Aaa"**  
See "RATING" herein

*In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, based upon existing laws, regulations, rulings, court decisions, and assuming (among other things) compliance with certain covenants, interest on the Bonds is exempt from State of California personal income taxes. Interest on the Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences caused by the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.*

**\$74,720,000**  
**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
(Los Angeles County, California)  
**2020 Refunding General Obligation Bonds**  
(Federally Taxable)

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

**Authority and Purpose.** The captioned bonds (the "Bonds") are being issued by the Santa Monica-Malibu Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Trustees of the District adopted on April 1, 2020 (the "Bond Resolution"). The Bonds are being issued for the purpose of refinancing certain outstanding general obligation bonds of the District. See "THE BONDS – Authority for Issuance" and "THE REFINANCING PLAN" herein.

**Security.** The Bonds are general obligation bonds of the District payable solely from *ad valorem* taxes. The Board of Supervisors of Los Angeles County has the power and is obligated to annually levy *ad valorem* taxes upon all property subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates) for the payment of principal of and interest on the Bonds. See "SECURITY FOR THE BONDS."

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


**Book-Entry Only.** The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"). Purchasers will not receive physical certificates representing their interests in the Bonds. See "THE BONDS – Book-Entry Only System."

**Payments.** The Bonds are dated the date of delivery and are being issued as current interest bonds. The Bonds accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each January 1 and July 1 until maturity, commencing January 1, 2021. Payments of principal of and interest on the Bonds will be paid by U.S. Bank National Association, Los Angeles, California, as agent for the Treasurer and Tax Collector of Los Angeles, California, the designated paying agent, registrar and transfer agent (the "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."

**MATURITY SCHEDULE**  
(see inside front cover)

**Cover Page.** This cover page contains certain information for general reference only. It is not a summary of all the provisions of the Bonds. Prospective investors must read the entire Official Statement to obtain information essential to making an informed investment decision.

*The Bonds will be offered when, as and if issued and accepted by the Underwriters, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall, A Professional Law Corporation, is also serving as Disclosure Counsel to the District. Norton Rose Fulbright US LLP, Los Angeles, California is serving as Underwriters' Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about August 5, 2020.*

**RAYMOND JAMES**  **Capital Markets**

The date of this Official Statement is July 14, 2020.

## FINANCING SUMMARY

2020 Refunding General Obligation Bonds (Federally Taxable)	
Par Amount	\$74,720,000
Tax Status	Taxable
Pricing Date	7/14/2020
Closing Date	8/5/2020
Payment Dates	Principal: 7/1, commencing 7/1/2021 through 7/1/2040; Interest: 1/1 and 7/1, commencing 1/1/2021
Redemption Provisions	7/1/2030 at 100% of par
Credit Ratings	Aaa / -- / --

Refunding Statistics					
Bonds Refunded	2006 GO Bonds Series D	Election of 2012 Series A	Election of 2012 Series B	2013 GO Refunding Bonds	Total
Maturities Refunded	2030	2032 – 2037	2030 – 2040	2025 – 2026; 2029 - 2032	-
Total Par Refunded	\$500,000	\$7,730,000	\$31,765,000	\$24,185,000	\$64,180,000
Gross Savings	1,223,680	36,382	943,170	4,015,770	6,219,003
Net PV Savings	1,446,667	32,093	758,415	3,195,538	5,432,712
Net PV Savings % of Refunded Par	5.98%	6.42%	9.81%	10.06%	8.46%

## SECTION 2

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Pricing Day Summary – Tuesday, July 14, 2020

2020 Refunding General Obligation Bonds (Federally Taxable)

## MARKET COMMENTARY – TUESDAY, JULY 14<sup>TH</sup>

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- **Fixed Income Market:** This week is action packed with economic data and earnings releases for a number of companies, especially in finance. I mention this because it is one of the few times that analysts may not know, or have a high confidence rate in, the numbers. To say we are living in some strange times could be the understatement of the century, because the effects of the crisis extend far and deep and aren't concentrated on just one issue. If we stick to the earnings releases for just a moment, companies are usually pretty good at communicating how they see their business now and how they see it going forward, but this situation is so unique that 'guidance' isn't even available to the companies themselves. It just depends on so many other factors that are out of a CFO's control, plus the timing is almost impossible to predict. I know that if you told me in March that COVID-19 would still be setting records in July, I would have had a pretty negative view of equities and company earnings. I would have also anticipated that the 10-year note yield would be well below 0.50%. But here we are, pushing toward records for equity prices as quickly as we are pushing toward records for COVID-19. From a market perspective, it appears that we have become reconciled to the illness, have a high confidence rate in a future vaccine, and are forecasting that in short order, the US economy will once again look a lot like it did before COVID-19. But what we have learned is that not all businesses are coming back, and that is being offset by businesses that are thriving. One of the ways that we can determine which businesses fit into which category is by their earnings. The lack of 'guidance' stands out as something that you would think would increase equity volatility, but it has not. The VIX (CBOE Volatility Index) is actually lower today than it was for most of last week. The bond market seems to be following the lead of the equity market. In other words, the price optimism of the equity market continues to take assets away from 'safer' securities like Treasuries. While we fell below 0.60% on the 10-year Treasury yield last week as COVID-19 cases surged in certain states, today, armed with the information that cases are increasing at a record pace in states like Florida, Texas and Arizona, Treasury yields are rising.
- **Municipal Market:** Cases of Covid-19 continue to increase nationally at a record pace and making the path to economic recovery much more uncertain. This week investors will get their first look at corporate earnings since the start of a pandemic, specifically the largest US Banks will report this week. Other key events will be inflation data, retail sales and employment claims. Bonds continue to provide a safe haven for investors and that was evident last week in the price action. The market continues to be focused on the next round of stimulus which is expected to be released by the end of the summer. OPEC is meeting this week and is expected to announce plans for increased production. In other global events the ECB will be meeting on Thursday and China releases second quarter GDP. Municipal bond prices have performed well even though we are facing a large \$12bln plus calendar. There is still a lot of cash to meet that demand and muni performance and demand is very robust. We have also seen nine consecutive weeks of inflows and many of those weeks have been \$1 billion or more. Of the \$12 billion expected this week, over \$3 billion is taxable. UST rates were unchanged to lower last week: 5s +1, 10s (3), and 30 year (10). MMD was also lower by (3) in 5 years, (9) in ten years and (10) in thirty years. Ratios vs. treasuries ended the week in five years five years at 128% of treasuries, the ten year spot at 128% of treasuries and the thirty year spot at 115% of comparable treasuries, these are week over week numbers. U.S. municipal bond funds reported \$1.02 billion of net inflows in the week ended July 8th, compared with \$1.06 billion in net inflows in the previous week. This is the ninth consecutive week of muni fund inflows, according to data released by Lipper on Thursday. High-yield muni bond funds reported inflows of \$85.6 million, versus \$119.3 million in inflows from the previous week.

## PRICING DAY SUMMARY – TUESDAY, JULY 14<sup>TH</sup>

- The District’s Federally Taxable 2020 Refunding General Obligation Bonds (“2020 Refunding GO Bonds”) were received well by investors. The bonds attracted a large oversubscription of approximately 4.0x par. Strong demand allowed bond yields to tighten by two to twelve basis points.
- The 2020 Refunding GO Bonds achieved a TIC of 1.89% with 20-year repayment periods.
- The 2020 Refunding GO Bonds were oversubscribed by 3.97 times.

### Key Statistics

	2020 Refunding General Obligation Bonds (Federally Taxable)
Par	74,720,000
TIC	1.82%
Net Debt Service	92,069,172
Repayment Ratio	1.23x
\$ of orders	296,325,000
Subscription (\$ of orders / par)	3.97x
No. of orders	34
No. of accounts (investors)	17

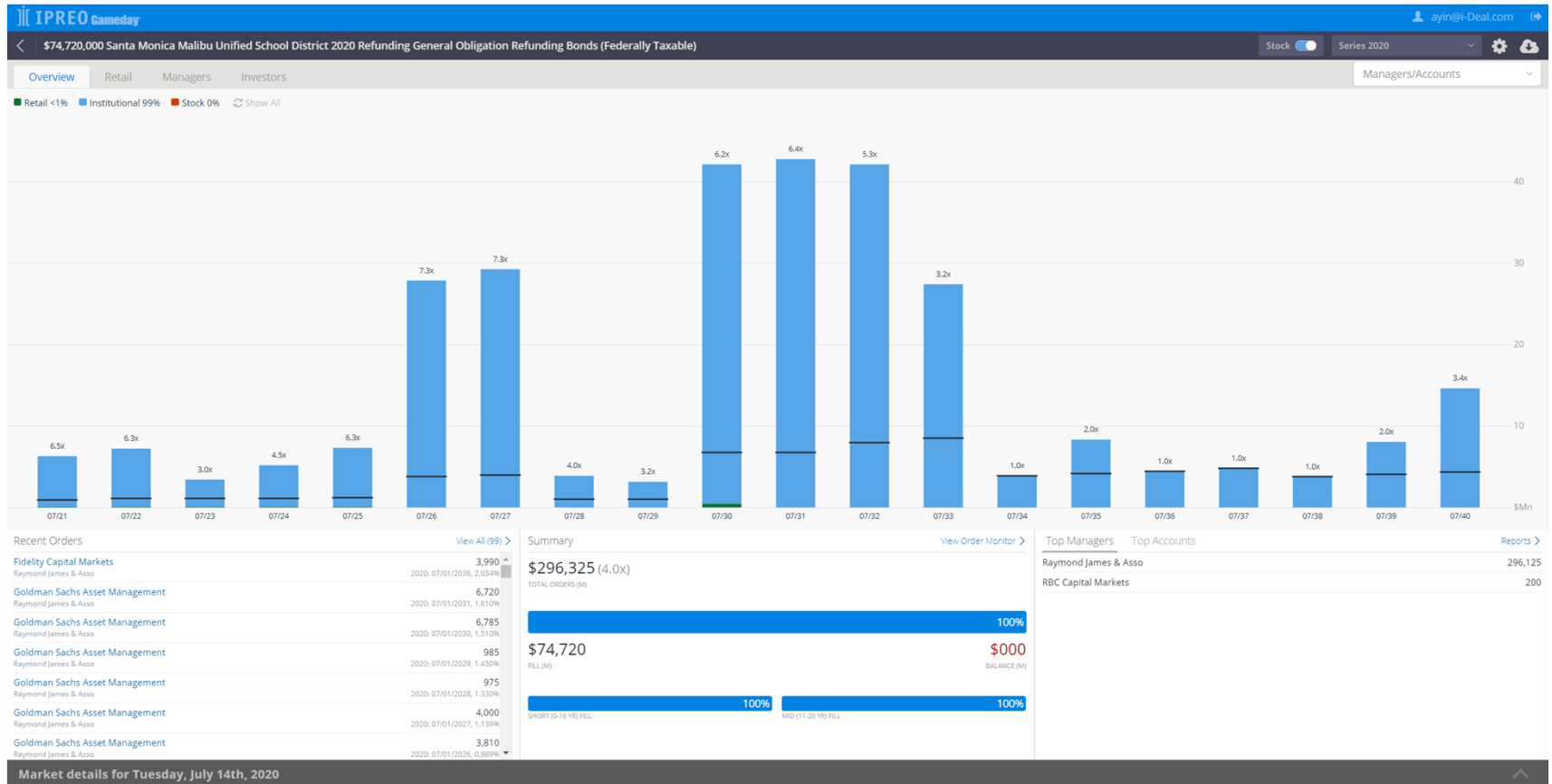
### Largest Investors by \$ of Orders Submitted

2020 Refunding General Obligation Bonds (Federally Taxable)		
Investor	\$ of orders	\$ of orders (% of par)
Travelers Insurance Companies	40,655,000	54.4%
State Farm Insurance Companies	37,945,000	50.8%
Morgan Stanley Managed Accounts	29,245,000	39.1%
Goldman Sachs Asset Management	27,885,000	37.3%
Merrill Lynch Relative Value	21,870,000	29.3%
Performance Trust (Broker)	20,580,000	27.5%
Eaton Vance	16,950,000	22.7%
Nuveen Asset Management	16,555,000	22.2%
Eaton Vance – TABS	14,650,000	19.6%
Payden & Rygel	7,810,000	10.5%



# ORDER FLOW BY MATURITY– 2020 REFUNDING GENERAL OBLIGATION BONDS (FEDERALLY TAXABLE)

- At the end of the order period on pricing day, the District’s 2020 Refunding GO Bonds were approximately 3.97 times oversubscribed with 35 separate accounts placing orders.



## SECTION 3

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Bond Sale Comparables

2020 Refunding General Obligation Bonds (Federally Taxable)

**SANTA MONICA-MALIBU USD**  
**Final Pricing Scale**  
**2020 Refunding General Obligation Bonds (Federally Taxable)**

Final Taxable Scale							Pre-Pricing Taxable Scale				
Par		\$74,720,000					Par		\$70,290,000		
Issuer		SANTA MONICA-MALIBU USD					Issuer		SANTA MONICA-MALIBU USD		
Sale Date		7/14/20					Sale Date		7/14/20		
Ratings		Aaa/NR/NR					Ratings		Aaa/NR/NR		
Call		7/1/30		Call Price 100%			Call		7/1/30		Call Price 100%
Closing		8/5/20					Closing		8/5/20		
Maturity	UST	Par (1,000s)	Coupon	Stated Yield	Spread to UST	Yield Difference from Pre-Pricing	Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2020							2020				
2021	0.151%	965	0.301%	0.301%	0.15%	-0.10%	2021	905	0.405%	0.405%	0.25%
2022	0.151%	1,145	0.381%	0.381%	0.23%	-0.12%	2022	1,040	0.505%	0.505%	0.35%
2023	0.175%	1,145	0.505%	0.505%	0.33%	-0.07%	2023	1,045	0.580%	0.580%	0.40%
2024	0.277%	1,155	0.627%	0.627%	0.35%	-0.10%	2024	1,045	0.736%	0.736%	0.45%
2025	0.277%	1,165	0.777%	0.777%	0.50%	-0.05%	2025	1,065	0.836%	0.836%	0.55%
2026	0.459%	3,810	0.989%	0.989%	0.53%	-0.07%	2026	3,725	1.070%	1.070%	0.60%
2027	0.459%	4,000	1.139%	1.139%	0.68%	-0.12%	2027	3,920	1.270%	1.270%	0.80%
2028	0.610%	975	1.330%	1.330%	0.72%	-0.08%	2028	870	1.423%	1.423%	0.80%
2029	0.610%	985	1.430%	1.430%	0.82%	-0.08%	2029	885	1.523%	1.523%	0.90%
2030	0.610%	6,785	1.510%	1.510%	0.90%	-0.10%	2030	2,870	1.623%	1.623%	1.00%
2031	0.610%	6,720	1.610%	1.610%	1.00%	-0.10%	2031	6,735	1.723%	1.723%	1.10%
2032	0.610%	7,930	1.710%	1.710%	1.10%	-0.10%	2032	7,970	1.823%	1.823%	1.20%
2033	0.610%	8,485	1.840%	1.840%	1.23%	-0.07%	2033	8,530	1.923%	1.923%	1.30%
2034	0.610%	3,860	1.910%	1.910%	1.30%	-0.05%	2034	3,885	1.973%	1.973%	1.35%
2035	0.610%	4,165	1.960%	1.960%	1.35%	-0.05%	2035	4,185	2.023%	2.023%	1.40%
2036	1.284%	4,480	2.034%	2.034%	0.75%	-0.05%	2036	4,510	2.117%	2.117%	0.80%
2037	1.284%	4,820	2.134%	2.134%	0.85%	-0.05%	2037	4,860	2.217%	2.217%	0.90%
2038	1.284%	3,765	2.214%	2.214%	0.93%	-0.04%	2038	3,795	2.287%	2.287%	0.97%
2039	1.284%	4,035	2.284%	2.284%	1.00%		2039				
2040	1.284%	4,330	2.314%	2.314%	1.03%	-0.02%	2040	8,450	2.367%	2.367%	1.05%

**SANTA MONICA-MALIBU USD**  
**Final Pricing Scale**  
**2020 Refunding General Obligation Bonds (Federally Taxable)**

Final Taxable Scale					
Par	\$74,720,000				
Issuer	SANTA MONICA-MALIBU USD				
Sale Date	7/14/20				
Ratings	Aaa/NR/NR				
Call	7/1/30	Call Price	100%		
Closing	8/5/20				

Maturity	UST	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2020					
2021	0.151%	965	0.301%	0.301%	0.15%
2022	0.151%	1,145	0.381%	0.381%	0.23%
2023	0.175%	1,145	0.505%	0.505%	0.33%
2024	0.277%	1,155	0.627%	0.627%	0.35%
2025	0.277%	1,165	0.777%	0.777%	0.50%
2026	0.459%	3,810	0.989%	0.989%	0.53%
2027	0.459%	4,000	1.139%	1.139%	0.68%
2028	0.610%	975	1.330%	1.330%	0.72%
2029	0.610%	985	1.430%	1.430%	0.82%
2030	0.610%	6,785	1.510%	1.510%	0.90%
2031	0.610%	6,720	1.610%	1.610%	1.00%
2032	0.610%	7,930	1.710%	1.710%	1.10%
2033	0.610%	8,485	1.840%	1.840%	1.23%
2034	0.610%	3,860	1.910%	1.910%	1.30%
2035	0.610%	4,165	1.960%	1.960%	1.35%
2036	1.284%	4,480	2.034%	2.034%	0.75%
2037	1.284%	4,820	2.134%	2.134%	0.85%
2038	1.284%	3,765	2.214%	2.214%	0.93%
2039	1.284%	4,035	2.284%	2.284%	1.00%
2040	1.284%	4,330	2.314%	2.314%	1.03%

Final Scale					
Par	\$47,395,000				
Issuer	VACAVILLE CA UNIF SCH DIST, CA				
Sale Date	7/9/20				
Ratings	Aa2/NR/NR				
Call	8/1/30	Call Price	100%		
Closing	8/4/20				

Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2021	1,215	0.403%	0.403%	
2022	815	0.553%	0.553%	0.40%
2023	820	0.695%	0.695%	0.51%
2024	825	0.927%	0.927%	0.64%
2025	830	1.127%	1.127%	0.84%
2026	840	1.337%	1.337%	0.85%
2027	6,175	1.457%	1.457%	0.97%
2028	6,415	1.559%	1.559%	0.91%
2029	6,685	1.639%	1.639%	0.99%
2030	6,950	1.739%	1.739%	1.09%
2031	7,755	1.839%	1.839%	1.19%
2032	8,070	1.959%	1.959%	1.31%

Final Scale					
Par	\$323,335,000				
Issuer	UNIV OF CALIFORNIA CA REVENUES, CA				
Sale Date	7/9/20				
Ratings	Aa2/AA/AA				
Call	5/15/30	Call Price	100%		
Closing	7/16/20				

Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2021	13,145	0.330%	0.330%	
2022	17,650	0.455%	0.455%	0.30%
2023	23,105	0.628%	0.628%	0.45%
2024	23,255	0.833%	0.833%	0.54%
2025	26,050	0.933%	0.933%	0.64%
2026	23,540	1.266%	1.266%	0.78%
2027	22,985	1.366%	1.366%	0.88%
2028	22,820	1.514%	1.514%	0.86%
2029	23,155	1.614%	1.614%	0.96%
2030	23,535	1.714%	1.714%	1.06%
2031	18,240	1.864%	1.864%	1.21%
2032	12,440	1.964%	1.964%	1.31%
2033	9,585	2.014%	2.014%	1.36%
2034	8,105	2.064%	2.064%	1.41%
2035	4,595	2.114%	2.114%	1.46%
2036	2,855	2.200%	2.200%	0.81%
2037	2,905	2.300%	2.300%	0.91%
2038	2,980	2.400%	2.400%	1.01%
2039	3,055	2.450%	2.450%	1.06%
2040	3,140	2.500%	2.500%	1.11%
2050	36,195	2.650%	2.650%	1.26%

Final Scale					
Par	\$46,660,000				
Issuer	MILPITAS CA UNIF SCH DIST, CA				
Sale Date	7/8/20				
Ratings	Aa1/NR/NR				
Call	8/1/29	Call Price	100%		
Closing	7/23/20				

Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2020	905	0.337%	0.337%	
2021	600	0.407%	0.407%	
2022	605	0.537%	0.537%	0.38%
2023	2,095	0.682%	0.682%	0.50%
2024	2,175	0.843%	0.843%	0.54%
2025	2,260	0.943%	0.943%	0.64%
2026	2,340	1.191%	1.191%	0.69%
2027	2,435	1.341%	1.341%	0.84%
2028	2,510	1.451%	1.451%	0.79%
2029	2,620	1.601%	1.601%	0.94%
2030	2,735	1.701%	1.701%	1.04%
2031	2,855	1.801%	1.801%	1.14%
2032	2,985	1.901%	1.901%	1.24%
2033	3,565	2.031%	2.031%	1.37%
2034	3,730	2.131%	2.131%	1.47%
2035	3,900	2.231%	2.231%	1.57%
2036	4,080	2.351%	2.351%	0.95%
2037	4,265	2.401%	2.401%	1.00%

**SANTA MONICA-MALIBU USD**

**Final Pricing Scale**

**2020 Refunding General Obligation Bonds (Federally Taxable)**

Final Taxable Scale						Final Scale					Final Scale					Final Scale					
Par		\$74,720,000				Par		\$283,470,000			Par		\$34,380,000			Par		\$31,625,000			
Issuer		SANTA MONICA-MALIBU USD				Issuer		SAN DIEGO CNTY CA WTR AUTH, CA			Issuer		SANTA BARBARA CA UNIF SCH DIST, CA			Issuer		GLENDALE CA CMNTY CLG DIST, CA			
Sale Date		7/14/20				Sale Date		7/8/20			Sale Date		6/30/20			Sale Date		6/17/20			
Ratings		Aaa/NR/NR				Ratings		Aa2/AAA/AA+			Ratings		Aa1/AA/NR			Ratings		Aa2/AA-/NR			
Call		7/1/30 Call Price 100%				Call		5/1/30 Call Price 100%			Call		8/1/30 Call Price 100%			Call		8/1/30 Call Price 100%			
Closing		8/5/20				Closing		7/22/20			Closing		7/21/20			Closing		7/1/20			
Maturity	UST	Par (1,000s)	Coupon	Stated Yield	Spread to UST	Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST	Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST	Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST	
2020																	2020	560	0.547%	0.547%	
2021	0.151%	965	0.301%	0.301%	0.15%						2021	575	0.410%	0.410%			2021	700	0.597%	0.597%	
2022	0.151%	1,145	0.381%	0.381%	0.23%						2022	595	0.510%	0.510%	0.36%		2022	890	0.747%	0.747%	0.55%
2023	0.175%	1,145	0.505%	0.505%	0.33%						2023	600	0.623%	0.623%	0.45%		2023	1,790	0.826%	0.826%	0.60%
2024	0.277%	1,155	0.627%	0.627%	0.35%	2024	17,925	0.593%	0.593%	0.29%	2024	1,245	0.829%	0.829%	0.54%		2024	1,810	1.089%	1.089%	0.74%
2025	0.277%	1,165	0.777%	0.777%	0.50%	2025	25,135	0.743%	0.743%	0.44%	2025	1,245	0.979%	0.979%	0.69%		2025	3,525	1.289%	1.289%	0.94%
2026	0.459%	3,810	0.989%	0.989%	0.53%	2026	25,320	0.971%	0.971%	0.47%	2026	2,445	1.338%	1.338%	0.85%		2026	3,330	1.600%	1.600%	1.04%
2027	0.459%	4,000	1.139%	1.139%	0.68%	2027	25,565	1.171%	1.171%	0.67%	2027	2,340	1.438%	1.438%	0.95%		2027	3,685	1.700%	1.700%	1.14%
2028	0.610%	975	1.330%	1.330%	0.72%	2028	25,860	1.331%	1.331%	0.67%	2028	2,355	1.603%	1.603%	0.95%		2028	3,785	1.883%	1.883%	1.14%
2029	0.610%	985	1.430%	1.430%	0.82%	2029	26,215	1.431%	1.431%	0.77%	2029	2,385	1.653%	1.653%	1.00%		2029	3,875	1.963%	1.963%	1.22%
2030	0.610%	6,785	1.510%	1.510%	0.90%	2030	26,585	1.531%	1.531%	0.87%	2030	2,235	1.703%	1.703%	1.05%		2030	3,985	2.013%	2.013%	1.27%
2031	0.610%	6,720	1.610%	1.610%	1.00%	2031	26,995	1.701%	1.701%	1.04%	2031	2,210	1.853%	1.853%	1.20%		2031	3,690	2.113%	2.113%	1.37%
2032	0.610%	7,930	1.710%	1.710%	1.10%	2032	27,450	1.801%	1.801%	1.14%	2032	2,280	1.953%	1.953%	1.30%						
2033	0.610%	8,485	1.840%	1.840%	1.23%	2033	27,945	1.901%	1.901%	1.24%	2033	2,295	2.053%	2.053%	1.40%						
2034	0.610%	3,860	1.910%	1.910%	1.30%	2034	28,475	1.951%	1.951%	1.29%	2034	2,305	2.103%	2.103%	1.45%						
2035	0.610%	4,165	1.960%	1.960%	1.35%						2035	2,300	2.153%	2.153%	1.50%						
2036	1.284%	4,480	2.034%	2.034%	0.75%																
2037	1.284%	4,820	2.134%	2.134%	0.85%																
2038	1.284%	3,765	2.214%	2.214%	0.93%						2038	6,970	2.652%	2.652%	1.24%						
2039	1.284%	4,035	2.284%	2.284%	1.00%																
2040	1.284%	4,330	2.314%	2.314%	1.03%																

**SANTA MONICA-MALIBU USD**  
**Final Pricing Scale**  
**2020 Refunding General Obligation Bonds (Federally Taxable)**

Final Taxable Scale						Final Scale				
<b>Par</b>		<b>\$74,720,000</b>				<b>Par</b>		<b>\$129,400,000</b>		
<b>Issuer</b>		<b>SANTA MONICA-MALIBU USD</b>				<b>Issuer</b>		<b>SAN BERNARDINO CA CMNTY CLG DI, CA</b>		
<b>Sale Date</b>		<b>7/14/20</b>				<b>Sale Date</b>		<b>6/16/20</b>		
<b>Ratings</b>		Aaa/NR/NR				<b>Ratings</b>		Aa1/AA/NR		
<b>Call</b>		7/1/30 Call Price 100%				<b>Call</b>		NC Call Price NA		
<b>Closing</b>		8/5/20				<b>Closing</b>		7/7/20		
Maturity	UST	Par (1,000s)	Coupon	Stated Yield	Spread to UST	Maturity	Par (1,000s)	Coupon	Stated Yield	Spread to UST
2020						2020	2,335	0.50%	0.50%	
2021	0.151%	965	0.301%	0.301%	0.15%	2021	2,680	0.55%	0.55%	
2022	0.151%	1,145	0.381%	0.381%	0.23%	2022	2,680	0.65%	0.65%	0.45%
2023	0.175%	1,145	0.505%	0.505%	0.33%	2023	2,685	0.73%	0.73%	0.50%
2024	0.277%	1,155	0.627%	0.627%	0.35%	2024	19,335	0.94%	0.94%	0.60%
2025	0.277%	1,165	0.777%	0.777%	0.50%	2025	20,520	1.12%	1.12%	0.78%
2026	0.459%	3,810	0.989%	0.989%	0.53%	2026	1,290	1.44%	1.44%	0.88%
2027	0.459%	4,000	1.139%	1.139%	0.68%	2027	23,925	1.61%	1.61%	1.05%
2028	0.610%	975	1.330%	1.330%	0.72%	2028	5,645	1.80%	1.80%	1.04%
2029	0.610%	985	1.430%	1.430%	0.82%	2029	2,000	1.85%	1.85%	1.09%
2030	0.610%	6,785	1.510%	1.510%	0.90%	2030	46,305	1.90%	1.90%	1.14%
2031	0.610%	6,720	1.610%	1.610%	1.00%					
2032	0.610%	7,930	1.710%	1.710%	1.10%					
2033	0.610%	8,485	1.840%	1.840%	1.23%					
2034	0.610%	3,860	1.910%	1.910%	1.30%					
2035	0.610%	4,165	1.960%	1.960%	1.35%					
2036	1.284%	4,480	2.034%	2.034%	0.75%					
2037	1.284%	4,820	2.134%	2.134%	0.85%					
2038	1.284%	3,765	2.214%	2.214%	0.93%					
2039	1.284%	4,035	2.284%	2.284%	1.00%					
2040	1.284%	4,330	2.314%	2.314%	1.03%					

# APPENDIX A

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## Final Numbers

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Santa Monica Malibu Unified School District  
2020 Refunding General Obligation Bonds (Federally Taxable)  
Aaa Underlying  
Final Verified as of 7/14/20  
Subject to Optional Redemption on 7/1/2030 @ 100%

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## SOURCES AND USES OF FUNDS

Santa Monica Malibu Unified School District  
2020 Refunding General Obligation Bonds (Federally Taxable)  
Aaa Underlying  
Final Verified as of 7/14/20  
Subject to Optional Redemption on 7/1/2030 @ 100%

## Sources:

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Bond Proceeds:	
Par Amount	74,720,000.00
	<hr/>
	74,720,000.00

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## Uses:

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Refunding Escrow Deposits:	
Cash Deposit	932.07
Open Market Purchases	<hr/>
	74,176,949.14
	74,177,881.21
	<hr/>
Delivery Date Expenses:	
Cost of Issuance	284,334.79
Underwriter's Discount	<hr/>
	257,784.00
	542,118.79
	<hr/>
	74,720,000.00

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## SUMMARY OF REFUNDING RESULTS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Dated Date	08/05/2020
Delivery Date	08/05/2020
Arbitrage yield	1.860742%
Escrow yield	0.270780%
Value of Negative Arbitrage	4,238,365.25
Bond Par Amount	74,720,000.00
True Interest Cost	1.892358%
Net Interest Cost	1.901382%
All-In TIC	1.927389%
Average Coupon	1.873544%
Average Life	12.393
Weighted Average Maturity	12.393
Par amount of refunded bonds	64,180,000.00
Average coupon of refunded bonds	3.987216%
Average life of refunded bonds	13.263
Remaining weighted average maturity of refunded bonds	13.263
PV of prior debt to 08/05/2020 @ 1.860742%	80,152,712.56
Net PV Savings	5,432,712.56
Percentage savings of refunded bonds	8.464806%
Percentage savings of refunding bonds	7.270761%

## SUMMARY OF BONDS REFUNDED

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
2013 General Obligation Refunding Bonds, SERIAL:					
	08/01/2025	5.000%	2,810,000.00	08/01/2023	100.000
	08/01/2026	5.000%	3,120,000.00	08/01/2023	100.000
	08/01/2029	3.125%	4,050,000.00	08/01/2023	100.000
	08/01/2030	3.250%	4,380,000.00	08/01/2023	100.000
	08/01/2031	3.250%	4,725,000.00	08/01/2023	100.000
	08/01/2032	3.375%	5,100,000.00	08/01/2023	100.000
			24,185,000.00		
Election of 2006 Series 2013D, SERIAL:					
	07/01/2030	3.250%	500,000.00	07/01/2023	100.000
Election of 2012 Series 2014A, SERIAL:					
	07/01/2032	3.250%	980,000.00	07/01/2024	100.000
	07/01/2033	3.250%	1,090,000.00	07/01/2024	100.000
			2,070,000.00		
Election of 2012 Series 2014A, TERM37:					
	07/01/2034	4.000%	1,205,000.00	07/01/2024	100.000
	07/01/2035	4.000%	1,340,000.00	07/01/2024	100.000
	07/01/2036	4.000%	1,480,000.00	07/01/2024	100.000
	07/01/2037	4.000%	1,635,000.00	07/01/2024	100.000
			5,660,000.00		
Election of 2012 Series 2015B, SERIAL:					
	07/01/2030	5.000%	1,610,000.00	07/01/2025	100.000
	07/01/2031	5.000%	1,835,000.00	07/01/2025	100.000
	07/01/2032	5.000%	1,940,000.00	07/01/2025	100.000
	07/01/2033	5.000%	2,185,000.00	07/01/2025	100.000
	07/01/2034	5.000%	2,445,000.00	07/01/2025	100.000
			10,015,000.00		
Election of 2012 Series 2015B, TERM40:					
	07/01/2035	4.000%	2,725,000.00	07/01/2025	100.000
	07/01/2036	4.000%	3,005,000.00	07/01/2025	100.000
	07/01/2037	4.000%	3,300,000.00	07/01/2025	100.000
	07/01/2038	4.000%	3,870,000.00	07/01/2025	100.000
	07/01/2039	4.000%	4,230,000.00	07/01/2025	100.000
	07/01/2040	4.000%	4,620,000.00	07/01/2025	100.000
			21,750,000.00		
			64,180,000.00		

## SUMMARY OF UNREFUNDED BONDS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Bond	Maturity Date	Interest Rate	Par Amount
2013 General Obligation Refunding Bonds, SERIAL:			
	08/01/2021	4.000%	1,815,000.00
	08/01/2022	4.000%	2,035,000.00
	08/01/2023	4.000%	2,265,000.00
	08/01/2024	5.000%	2,515,000.00
	08/01/2027	3.000%	3,455,000.00
	08/01/2028	3.125%	3,745,000.00
			<u>15,830,000.00</u>
Election of 2006 Series 2013D, SERIAL:			
	07/01/2021	4.000%	710,000.00
	07/01/2022	4.000%	905,000.00
	07/01/2023	4.500%	1,115,000.00
	07/01/2024	5.000%	1,430,000.00
	07/01/2025	3.500%	1,600,000.00
			<u>5,760,000.00</u>
Election of 2012 Series 2015B, SERIAL:			
	07/01/2026	5.000%	870,000.00
	07/01/2027	5.000%	1,035,000.00
	07/01/2028	5.000%	1,210,000.00
	07/01/2029	5.000%	1,400,000.00
			<u>4,515,000.00</u>
			<u>26,105,000.00</u>

## SAVINGS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Date	Prior Debt Service	Refunding Debt Service	Unrefunded Debt Service	Refunding Net Cash Flow	Savings	Present Value to 08/05/2020 @ 1.8607422%
07/01/2021	3,599,765.63	2,112,397.17	1,473,540.63	3,585,937.80	13,827.83	19,979.04
07/01/2022	6,286,131.26	2,409,159.70	3,714,356.26	6,123,515.96	162,615.30	169,543.07
07/01/2023	6,602,931.26	2,404,797.26	4,031,156.26	6,435,953.52	166,977.74	170,584.91
07/01/2024	7,011,756.26	2,409,015.00	4,439,981.26	6,848,996.26	162,760.00	163,556.12
07/01/2025	7,252,081.26	2,411,773.16	4,680,306.26	7,092,079.42	160,001.84	158,066.87
07/01/2026	6,627,956.26	5,047,721.10	1,316,431.26	6,364,152.36	263,803.90	290,893.39
07/01/2027	6,911,206.26	5,200,040.20	1,437,931.26	6,637,971.46	273,234.80	297,088.73
07/01/2028	7,239,631.26	2,129,480.20	4,964,356.26	7,093,836.46	145,794.80	134,437.69
07/01/2029	7,548,790.63	2,126,512.70	5,273,515.63	7,400,028.33	148,762.30	134,538.05
07/01/2030	8,371,993.75	7,912,427.20		7,912,427.20	459,566.55	448,146.98
07/01/2031	8,195,787.50	7,744,973.70		7,744,973.70	450,813.80	436,073.99
07/01/2032	9,386,081.25	8,846,781.70		8,846,781.70	539,299.55	502,392.14
07/01/2033	9,824,387.50	9,266,178.70		9,266,178.70	558,208.80	511,582.24
07/01/2034	4,868,650.00	4,485,054.70		4,485,054.70	383,595.30	298,631.55
07/01/2035	5,113,200.00	4,716,328.70		4,716,328.70	396,871.30	302,883.26
07/01/2036	5,370,600.00	4,949,694.70		4,949,694.70	420,905.30	314,945.89
07/01/2037	5,641,200.00	5,198,571.50		5,198,571.50	442,628.50	324,749.35
07/01/2038	4,378,800.00	4,040,712.70		4,040,712.70	338,087.30	243,439.94
07/01/2039	4,584,000.00	4,227,355.60		4,227,355.60	356,644.40	251,813.34
07/01/2040	4,804,800.00	4,430,196.20		4,430,196.20	374,603.80	259,366.03
	129,619,750.08	92,069,171.89	31,331,575.08	123,400,746.97	6,219,003.11	5,432,712.56

Savings Summary

PV of savings from cash flow	5,432,712.56
Net PV Savings	5,432,712.56

## BOND SUMMARY STATISTICS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Dated Date	08/05/2020
Delivery Date	08/05/2020
First Coupon	01/01/2021
Last Maturity	07/01/2040
Arbitrage Yield	1.860742%
True Interest Cost (TIC)	1.892358%
Net Interest Cost (NIC)	1.901382%
All-In TIC	1.927389%
Average Coupon	1.873544%
Average Life (years)	12.393
Weighted Average Maturity (years)	12.393
Duration of Issue (years)	11.030
Par Amount	74,720,000.00
Bond Proceeds	74,720,000.00
Total Interest	17,349,171.89
Net Interest	17,606,955.89
Total Debt Service	92,069,171.89
Maximum Annual Debt Service	9,266,178.70
Average Annual Debt Service	4,625,300.29

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bond	74,720,000.00	100.000	1.874%	12.393	80,616.30
	74,720,000.00			12.393	80,616.30

	TIC	All-In TIC	Arbitrage Yield
Par Value	74,720,000.00	74,720,000.00	74,720,000.00
+ Accrued Interest			
+ Premium (Discount)			
- Underwriter's Discount	-257,784.00	-257,784.00	
- Cost of Issuance Expense		-284,334.79	
- Other Amounts			
Target Value	74,462,216.00	74,177,881.21	74,720,000.00
Target Date	08/05/2020	08/05/2020	08/05/2020
Yield	1.892358%	1.927389%	1.860742%

## BOND PRICING

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bond:					
	07/01/2021	965,000	0.301%	0.301%	100.000
	07/01/2022	1,145,000	0.381%	0.381%	100.000
	07/01/2023	1,145,000	0.505%	0.505%	100.000
	07/01/2024	1,155,000	0.627%	0.627%	100.000
	07/01/2025	1,165,000	0.777%	0.777%	100.000
	07/01/2026	3,810,000	0.989%	0.989%	100.000
	07/01/2027	4,000,000	1.139%	1.139%	100.000
	07/01/2028	975,000	1.330%	1.330%	100.000
	07/01/2029	985,000	1.430%	1.430%	100.000
	07/01/2030	6,785,000	1.510%	1.510%	100.000
	07/01/2031	6,720,000	1.610%	1.610%	100.000
	07/01/2032	7,930,000	1.710%	1.710%	100.000
	07/01/2033	8,485,000	1.840%	1.840%	100.000
	07/01/2034	3,860,000	1.910%	1.910%	100.000
	07/01/2035	4,165,000	1.960%	1.960%	100.000
	07/01/2036	4,480,000	2.034%	2.034%	100.000
	07/01/2037	4,820,000	2.134%	2.134%	100.000
	07/01/2038	3,765,000	2.214%	2.214%	100.000
	07/01/2039	4,035,000	2.284%	2.284%	100.000
	07/01/2040	4,330,000	2.314%	2.314%	100.000
		74,720,000			

Dated Date	08/05/2020	
Delivery Date	08/05/2020	
First Coupon	01/01/2021	
Par Amount	74,720,000.00	
Original Issue Discount		
Production	74,720,000.00	100.000000%
Underwriter's Discount	-257,784.00	-0.345000%
Purchase Price	74,462,216.00	99.655000%
Accrued Interest		
Net Proceeds	74,462,216.00	

## BOND DEBT SERVICE

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2021			513,864.99	513,864.99	
07/01/2021	965,000	0.301%	633,532.18	1,598,532.18	2,112,397.17
01/01/2022			632,079.85	632,079.85	
07/01/2022	1,145,000	0.381%	632,079.85	1,777,079.85	2,409,159.70
01/01/2023			629,898.63	629,898.63	
07/01/2023	1,145,000	0.505%	629,898.63	1,774,898.63	2,404,797.26
01/01/2024			627,007.50	627,007.50	
07/01/2024	1,155,000	0.627%	627,007.50	1,782,007.50	2,409,015.00
01/01/2025			623,386.58	623,386.58	
07/01/2025	1,165,000	0.777%	623,386.58	1,788,386.58	2,411,773.16
01/01/2026			618,860.55	618,860.55	
07/01/2026	3,810,000	0.989%	618,860.55	4,428,860.55	5,047,721.10
01/01/2027			600,020.10	600,020.10	
07/01/2027	4,000,000	1.139%	600,020.10	4,600,020.10	5,200,040.20
01/01/2028			577,240.10	577,240.10	
07/01/2028	975,000	1.330%	577,240.10	1,552,240.10	2,129,480.20
01/01/2029			570,756.35	570,756.35	
07/01/2029	985,000	1.430%	570,756.35	1,555,756.35	2,126,512.70
01/01/2030			563,713.60	563,713.60	
07/01/2030	6,785,000	1.510%	563,713.60	7,348,713.60	7,912,427.20
01/01/2031			512,486.85	512,486.85	
07/01/2031	6,720,000	1.610%	512,486.85	7,232,486.85	7,744,973.70
01/01/2032			458,390.85	458,390.85	
07/01/2032	7,930,000	1.710%	458,390.85	8,388,390.85	8,846,781.70
01/01/2033			390,589.35	390,589.35	
07/01/2033	8,485,000	1.840%	390,589.35	8,875,589.35	9,266,178.70
01/01/2034			312,527.35	312,527.35	
07/01/2034	3,860,000	1.910%	312,527.35	4,172,527.35	4,485,054.70
01/01/2035			275,664.35	275,664.35	
07/01/2035	4,165,000	1.960%	275,664.35	4,440,664.35	4,716,328.70
01/01/2036			234,847.35	234,847.35	
07/01/2036	4,480,000	2.034%	234,847.35	4,714,847.35	4,949,694.70
01/01/2037			189,285.75	189,285.75	
07/01/2037	4,820,000	2.134%	189,285.75	5,009,285.75	5,198,571.50
01/01/2038			137,856.35	137,856.35	
07/01/2038	3,765,000	2.214%	137,856.35	3,902,856.35	4,040,712.70
01/01/2039			96,177.80	96,177.80	
07/01/2039	4,035,000	2.284%	96,177.80	4,131,177.80	4,227,355.60
01/01/2040			50,098.10	50,098.10	
07/01/2040	4,330,000	2.314%	50,098.10	4,380,098.10	4,430,196.20
	74,720,000		17,349,171.89	92,069,171.89	92,069,171.89



## BOND DEBT SERVICE

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2021	965,000	0.301%	1,147,397.17	2,112,397.17
07/01/2022	1,145,000	0.381%	1,264,159.70	2,409,159.70
07/01/2023	1,145,000	0.505%	1,259,797.26	2,404,797.26
07/01/2024	1,155,000	0.627%	1,254,015.00	2,409,015.00
07/01/2025	1,165,000	0.777%	1,246,773.16	2,411,773.16
07/01/2026	3,810,000	0.989%	1,237,721.10	5,047,721.10
07/01/2027	4,000,000	1.139%	1,200,040.20	5,200,040.20
07/01/2028	975,000	1.330%	1,154,480.20	2,129,480.20
07/01/2029	985,000	1.430%	1,141,512.70	2,126,512.70
07/01/2030	6,785,000	1.510%	1,127,427.20	7,912,427.20
07/01/2031	6,720,000	1.610%	1,024,973.70	7,744,973.70
07/01/2032	7,930,000	1.710%	916,781.70	8,846,781.70
07/01/2033	8,485,000	1.840%	781,178.70	9,266,178.70
07/01/2034	3,860,000	1.910%	625,054.70	4,485,054.70
07/01/2035	4,165,000	1.960%	551,328.70	4,716,328.70
07/01/2036	4,480,000	2.034%	469,694.70	4,949,694.70
07/01/2037	4,820,000	2.134%	378,571.50	5,198,571.50
07/01/2038	3,765,000	2.214%	275,712.70	4,040,712.70
07/01/2039	4,035,000	2.284%	192,355.60	4,227,355.60
07/01/2040	4,330,000	2.314%	100,196.20	4,430,196.20
	74,720,000		17,349,171.89	92,069,171.89

## ESCROW REQUIREMENTS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Period Ending	Interest	Principal Redeemed	Total
01/01/2021	840,337.50		840,337.50
02/01/2021	445,550.00		445,550.00
07/01/2021	840,337.50		840,337.50
08/01/2021	445,550.00		445,550.00
01/01/2022	840,337.50		840,337.50
02/01/2022	445,550.00		445,550.00
07/01/2022	840,337.50		840,337.50
08/01/2022	445,550.00		445,550.00
01/01/2023	840,337.50		840,337.50
02/01/2023	445,550.00		445,550.00
07/01/2023	840,337.50	500,000.00	1,340,337.50
08/01/2023	445,550.00	24,185,000.00	24,630,550.00
01/01/2024	832,212.50		832,212.50
07/01/2024	832,212.50	7,730,000.00	8,562,212.50
01/01/2025	685,375.00		685,375.00
07/01/2025	685,375.00	31,765,000.00	32,450,375.00
	10,750,500.00	64,180,000.00	74,930,500.00

## ESCROW DESCRIPTIONS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Type of Security	CUSIP or ID	Maturity Date	Par Amount	Rate	Yield	Interest Price	Interest Class	Interest Frequency	Interest Day Basis
Aug 5, 2020:									
TBill	912796TY5	12/31/2020	813,000		0.113%	99.95416	Discount	Semiannual	ACT/360
TBill	912796UC1	01/28/2021	284,000		0.120%	99.94235	Discount	Semiannual	ACT/360
TNote	912828WR7	06/30/2021	814,000	2.125%	0.119%	101.80864	Periodic	Semiannual	ACT/ACT
TNote	912828WY2	07/31/2021	284,000	2.250%	0.117%	102.10193	Periodic	Semiannual	ACT/ACT
TNote	912828YZ7	12/31/2021	823,000	1.625%	0.129%	102.09434	Periodic	Semiannual	ACT/ACT
TNote	912828Z60	01/31/2022	287,000	1.375%	0.136%	101.83895	Periodic	Semiannual	ACT/ACT
TNote	912828ZX1	06/30/2022	1,118,000	0.125%	0.138%	99.97554	Periodic	Semiannual	ACT/ACT
TNote	912828N30	12/31/2022	830,000	2.125%	0.138%	104.76431	Periodic	Semiannual	ACT/ACT
TNote	912828U2	01/31/2023	289,000	2.375%	0.143%	105.53885	Periodic	Semiannual	ACT/ACT
TNote	912828ZU7	06/15/2023	1,339,000	0.250%	0.160%	100.25570	Periodic	Semiannual	ACT/ACT
TNote	912828S92	07/31/2023	24,477,000	1.250%	0.160%	103.24672	Periodic	Semiannual	ACT/ACT
TSTRIP-I	912833LP3	11/15/2023	833,000		0.198%	99.35386	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912833LR9	05/15/2024	8,562,000		0.250%	99.06110	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912833LT5	11/15/2024	685,000		0.293%	98.75740	Zero Coupon	Semiannual	ACT/ACT
TSTRIP-I	912833LV0	05/15/2025	32,450,000		0.340%	98.38965	Zero Coupon	Semiannual	ACT/ACT
			73,888,000						

## ESCROW SUFFICIENCY

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
08/05/2020		932.07	932.07	932.07
12/15/2020		1,673.75	1,673.75	2,605.82
12/31/2020		837,853.13	837,853.13	840,458.95
01/01/2021	840,337.50		-840,337.50	121.45
01/28/2021		284,000.00	284,000.00	284,121.45
01/31/2021		161,581.26	161,581.26	445,702.71
02/01/2021	445,550.00		-445,550.00	152.71
06/15/2021		1,673.75	1,673.75	1,826.46
06/30/2021		838,853.13	838,853.13	840,679.59
07/01/2021	840,337.50		-840,337.50	342.09
07/31/2021		445,581.26	445,581.26	445,923.35
08/01/2021	445,550.00		-445,550.00	373.35
12/15/2021		1,673.75	1,673.75	2,047.10
12/31/2021		839,204.38	839,204.38	841,251.48
01/01/2022	840,337.50		-840,337.50	913.98
01/31/2022		445,386.26	445,386.26	446,300.24
02/01/2022	445,550.00		-445,550.00	750.24
06/15/2022		1,673.75	1,673.75	2,423.99
06/30/2022		1,127,517.50	1,127,517.50	1,129,941.49
07/01/2022	840,337.50		-840,337.50	289,603.99
07/31/2022		156,413.13	156,413.13	446,017.12
08/01/2022	445,550.00		-445,550.00	467.12
12/15/2022		1,673.75	1,673.75	2,140.87
12/31/2022		838,818.75	838,818.75	840,959.62
01/01/2023	840,337.50		-840,337.50	622.12
01/31/2023		445,413.13	445,413.13	446,035.25
02/01/2023	445,550.00		-445,550.00	485.25
06/15/2023		1,340,673.75	1,340,673.75	1,341,159.00
07/01/2023	1,340,337.50		-1,340,337.50	821.50
07/31/2023		24,629,981.25	24,629,981.25	24,630,802.75
08/01/2023	24,630,550.00		-24,630,550.00	252.75
11/15/2023		833,000.00	833,000.00	833,252.75
01/01/2024	832,212.50		-832,212.50	1,040.25
05/15/2024		8,562,000.00	8,562,000.00	8,563,040.25
07/01/2024	8,562,212.50		-8,562,212.50	827.75
11/15/2024		685,000.00	685,000.00	685,827.75
01/01/2025	685,375.00		-685,375.00	452.75
05/15/2025		32,450,000.00	32,450,000.00	32,450,452.75
07/01/2025	32,450,375.00		-32,450,375.00	77.75
	74,930,500.00	74,930,577.75	77.75	

ESCROW STATISTICS

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

	Total Escrow Cost	Modified Duration (years)	PV of 1 bp change	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Escrow:	74,177,881.21	3.724	27,620.54	0.270780%	0.265534%	69,845,410.14	4,238,365.25	94,105.82
	74,177,881.21		27,620.54			69,845,410.14	4,238,365.25	94,105.82

Delivery date 08/05/2020  
 Arbitrage yield 1.860742%

## UNREFUNDED BOND DEBT SERVICE

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

2013 General Obligation Refunding Bonds

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
02/01/2021			295,515.63	295,515.63	
07/01/2021					295,515.63
08/01/2021	1,815,000	4.000%	295,515.63	2,110,515.63	
02/01/2022			259,215.63	259,215.63	
07/01/2022					2,369,731.26
08/01/2022	2,035,000	4.000%	259,215.63	2,294,215.63	
02/01/2023			218,515.63	218,515.63	
07/01/2023					2,512,731.26
08/01/2023	2,265,000	4.000%	218,515.63	2,483,515.63	
02/01/2024			173,215.63	173,215.63	
07/01/2024					2,656,731.26
08/01/2024	2,515,000	5.000%	173,215.63	2,688,215.63	
02/01/2025			110,340.63	110,340.63	
07/01/2025					2,798,556.26
08/01/2025			110,340.63	110,340.63	
02/01/2026			110,340.63	110,340.63	
07/01/2026					220,681.26
08/01/2026			110,340.63	110,340.63	
02/01/2027			110,340.63	110,340.63	
07/01/2027					220,681.26
08/01/2027	3,455,000	3.000%	110,340.63	3,565,340.63	
02/01/2028			58,515.63	58,515.63	
07/01/2028					3,623,856.26
08/01/2028	3,745,000	3.125%	58,515.63	3,803,515.63	
07/01/2029					3,803,515.63
	15,830,000		2,672,000.08	18,502,000.08	18,502,000.08

## UNREFUNDED BOND DEBT SERVICE

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Election of 2006 Series 2013D

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2021			121,137.50	121,137.50	
07/01/2021	710,000	4.000%	121,137.50	831,137.50	952,275
01/01/2022			106,937.50	106,937.50	
07/01/2022	905,000	4.000%	106,937.50	1,011,937.50	1,118,875
01/01/2023			88,837.50	88,837.50	
07/01/2023	1,115,000	4.500%	88,837.50	1,203,837.50	1,292,675
01/01/2024			63,750.00	63,750.00	
07/01/2024	1,430,000	5.000%	63,750.00	1,493,750.00	1,557,500
01/01/2025			28,000.00	28,000.00	
07/01/2025	1,600,000	3.500%	28,000.00	1,628,000.00	1,656,000
	5,760,000		817,325.00	6,577,325.00	6,577,325

## UNREFUNDED BOND DEBT SERVICE

Santa Monica Malibu Unified School District  
 2020 Refunding General Obligation Bonds (Federally Taxable)  
 Aaa Underlying  
 Final Verified as of 7/14/20  
 Subject to Optional Redemption on 7/1/2030 @ 100%

Election of 2012 Series 2015B

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
01/01/2021			112,875	112,875	
07/01/2021			112,875	112,875	225,750
01/01/2022			112,875	112,875	
07/01/2022			112,875	112,875	225,750
01/01/2023			112,875	112,875	
07/01/2023			112,875	112,875	225,750
01/01/2024			112,875	112,875	
07/01/2024			112,875	112,875	225,750
01/01/2025			112,875	112,875	
07/01/2025			112,875	112,875	225,750
01/01/2026			112,875	112,875	
07/01/2026	870,000	5.000%	112,875	982,875	1,095,750
01/01/2027			91,125	91,125	
07/01/2027	1,035,000	5.000%	91,125	1,126,125	1,217,250
01/01/2028			65,250	65,250	
07/01/2028	1,210,000	5.000%	65,250	1,275,250	1,340,500
01/01/2029			35,000	35,000	
07/01/2029	1,400,000	5.000%	35,000	1,435,000	1,470,000
	4,515,000		1,737,250	6,252,250	6,252,250



# APPENDIX B

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## Financing Calendar & Distribution List

**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
2020 GENERAL OBLIGATION REFUNDING BONDS

**Financing Schedule**

June 2020						
S	M	T	W	Th	F	Sa
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				
July 2020						
S	M	T	W	Th	F	Sa
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	
August 2020						
S	M	T	W	Th	F	Sa
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

Holidays highlighted in yellow

**Legend**

- SD** – Santa Monica-Malibu USD
- FA** – Isom Advisors
- BC** – Jones Hall
- UW** – Raymond James
- County** – Los Angeles

Date	Action	Responsibility
April 1 <sup>✓</sup>	Board meeting approving 2020 Refunding Bonds	SD
June 26	Distribute updated timeline, term sheet and distribution list	FA
	Send credit package to rating agency (Moody's)	FA
June 29	Distribute updated drafts of Preliminary Official Statement (POS) and supporting legal documents	BC
July 1	Rating prep conference call	SD/FA/UW/BC
July 2	Conference call with Moody's	SD/FA/UW/BC
	Comments due on draft legal documents	All
July 7	Due Diligence call with Underwriter	SD/FA/BC/UW
July 8	Receive rating	FA
July 9	Distribute POS	BC/UW
Wk. of July 13	Pre-price Refunding Bonds	SD/UW/FA
	Price Refunding Bonds; sign purchase contract	SD/UW/FA
July 16*	County Board of Supervisors agenda deadline	BC/County
July 16 – 31	Finalize closing & legal documents	BC
July 22	Distribute final OS	BC/UW
August 4	Pre-closing of Refunding Bonds	BC
August 4*	County Board of Supervisors Approval of Refunding Bonds	County
August 5	Closing of Refunding Bonds	All

\*Preliminary; subject to change

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**SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT**  
2020 GENERAL OBLIGATION REFUNDING BONDS

**Distribution List**

**DISTRICT**

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT  
1651 16<sup>th</sup> Street  
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# APPENDIX C

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## Rating Reports

**CREDIT OPINION**

9 July 2020

 Rate this Research

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## Santa Monica-Malibu USD, CA

Update to credit analysis following revision of outlook to negative

**Summary**

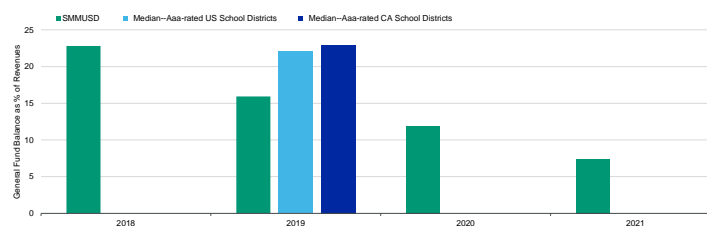
A prior period adjustment in fiscal 2019 coupled with an operating deficit in fiscal 2020 has brought the reserve levels of [Santa Monica-Malibu Unified School District](#) (Aaa negative) well below the median for Aaa-rated school districts in the state and across the nation. Furthermore, the district's 2021 budget indicates another drawdown to reserves (Exhibit 1). Despite its immediate financial pressures the district is anchored by an enormous and growing tax base along coastal [Los Angeles County](#) (Aa1 stable) and benefits from the affluent wealth and income profile of local residents. The district benefits from Community Funded/Basic Aid status and a uniquely diverse revenue structure that is distinguishable from most California school districts. The district's debt, pension and OPEB liabilities are manageable.

We regard the coronavirus outbreak as a social risk under our ESG framework, given the substantial implications for public health and safety. The coronavirus crisis is not a key driver for this rating action. We do not see any material immediate credit risks for Santa Monica-Malibu Unified School District, although the district receives a portion of a sales tax generated in [City of Santa Monica](#) (Aaa stable), which declined in the first quarter 2020 as a result of reduced economic activity. However, the situation surrounding coronavirus is rapidly evolving and the longer term impact will depend on both the severity and duration of the crisis. If our view of the credit quality of the district changes, we will update the rating and/or outlook at that time.

This credit opinion follows a press release on July 9, 2020 announcing assignment of a negative outlook to district's various ratings.

**Exhibit 1**

**SMMUSD's financial position is below rating category medians and expected to continue to narrow**



Fiscal 2020 results are unaudited; fiscal 2021 is budgeted  
 Source: Moody's Investors Service; SMMUSD 2021 budget

## Credit strengths

- » Extraordinarily large and growing tax base in coastal Los Angeles County
- » Affluent local resident profile
- » Community Funded (Basic Aid) district bolstered by diverse revenue composition

## Credit challenges

- » Narrowing financial position
- » Rising pension contributions affecting all California school districts

## Rating outlook

The negative outlook reflects our expectation that projected deficit spending and use of reserves through fiscal 2021 will bring the district's financial position to a level no longer consistent with the Aaa rating level.

## Factors that could lead to an upgrade (or removal of negative outlook)

- » Financial outperformance relative to budget in fiscal 2021, supporting balanced operations
- » Stabilized or improved reserve position

## Factors that could lead to a downgrade

- » Deficit spending and use of reserves consistent with 2021 budget
- » Significant contraction in the tax base or wealth levels

## Key indicators

Exhibit 2

<b>Santa Monica-Malibu USD, CA</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Economy/Tax Base</b>					
Total Full Value (\$000)	\$43,691,490	\$46,876,732	\$49,910,196	\$52,223,096	\$56,518,243
Population	111,980	112,076	111,995	111,822	111,822
Full Value Per Capita	\$390,172	\$418,258	\$445,647	\$467,020	\$505,430
Median Family Income (% of US Median)	184.0%	181.6%	179.4%	185.8%	185.8%
<b>Finances</b>					
Operating Revenue (\$000)	\$180,979	\$239,862	\$189,226	\$212,795	\$211,528
Fund Balance (\$000)	\$76,627	\$68,967	\$66,877	\$76,907	\$67,380
Cash Balance (\$000)	\$87,830	\$92,549	\$83,302	\$89,853	\$84,949
Fund Balance as a % of Revenues	42.3%	28.8%	35.3%	36.1%	31.9%
Cash Balance as a % of Revenues	48.5%	38.6%	44.0%	42.2%	40.2%
<b>Debt/Pensions</b>					
Net Direct Debt (\$000)	\$352,262	\$380,205	\$418,560	\$395,014	\$489,029
3-Year Average of Moody's ANPL (\$000)	\$319,655	\$341,801	\$387,411	\$440,160	\$471,010
Net Direct Debt / Full Value (%)	0.8%	0.8%	0.8%	0.8%	0.9%
Net Direct Debt / Operating Revenues (x)	1.9x	1.6x	2.2x	1.9x	2.3x
Moody's - adjusted Net Pension Liability (3-yr average) to Full Value (%)	0.7%	0.7%	0.8%	0.8%	0.8%
Moody's - adjusted Net Pension Liability (3-yr average) to Revenues (x)	1.8x	1.4x	2.0x	2.1x	2.2x

Source: Moody's Investors Service and audited financial statements

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on [www.moody's.com](http://www.moody's.com) for the most updated credit rating action information and rating history.



## Profile

Santa Monica-Malibu Unified School District (SMMUSD) serves residents of the Cities of Santa Monica and Malibu, as well as a portion of unincorporated Los Angeles County. Located on the scenic Pacific Coast, the district encompasses about 29 square miles, with an estimated population of 111,822. The district currently operates 10 elementary schools, two middle schools, one K-8 school, one 6-12 school, one high school, one continuation high school, a regional occupation program, an adult education program, as well as child care and development centers, with estimated enrollment in fiscal 2020 of 10,098.

School Facilities Improvement District (SFID) 1 covers the Santa Monica portion of the unified district, accounting for approximately 2/3 of the overall district's AV. SFID 2 covers the Malibu portion of the district, accounting for the remaining approximately 1/3 of the total AV. Together the two SFIDs cover the entire district.

## Detailed credit considerations

### Economy and tax base: Extraordinarily large, growing and wealthy tax base in coastal LA County

SMMUSD's extraordinarily large, growing, and wealthy tax base continues to underpin the district's credit profile and will remain its core strength in the coming years. The district's 2020 Assessed Valuation (AV) is \$59.4 billion, up 5.1% from the prior year and has averaged 6.3% annual growth over the past five years. The size of the tax base compares favorably with other Aaa-rated school districts in California (\$37.9 billion) and nationally (\$15.9 billion). The tax bases of both the district's SFIDs are considerably smaller, but still compare favorably to the nationwide medians. Fiscal 2020 AV for SFID #1 was \$39.5 billion while SFID #2's AV was \$19.9 billion.

The district's tax base is primarily residential and diverse, with the top twenty taxpayers accounting for a low 8.7% of fiscal 2020 total AV, and residential uses reflecting 74.8% of fiscal 2020 secured AV. Median new home sale prices of \$2.25 million in Santa Monica and \$3.5 million in Malibu are well above the median AV of \$974,000 and \$1.5 million respectively, which should support continued AV growth even absent additional development, as housing turns over.

The 2018 Woolsey Fire, which spread to over 96,000 acres of Ventura and Los Angeles counties destroyed over 1,500 structures, including around 400 homes within the city of Malibu, which comprises the majority of SFID #2. In spite of the fire AV growth in the district and SFID #2 has continued at a healthy clip given the district's highly desirable coastal location.

The district has very high resident wealth levels that compare favorably to state and national medians and represent a key credit strength. The median family income for district residents is 185% of the US median, compared to 207.6% and 189.7% medians for Aaa rated districts in California and nationally. AV per capita is an extremely strong \$531,096 in fiscal 2020.

Income levels of the district's two SFID's compare well to their Aaa peers with SFID #1 at 170.7% of the national MFI while SFID #2 has a MFI of 265.5% of the nation.

The coronavirus is driving an unprecedented economic slowdown. We currently forecast US GDP to decline significantly during 2020 with a gradual recovery commencing toward the end of the year. Local governments with the highest exposure to tourism, hospitality, healthcare, retail, and oil and gas could suffer particularly severe impacts. The impact of the downturn within the county has been felt primarily in rising unemployment, which has increased to 20.3% across LA County, above the state (16.1%) and national (14.4%) medians.

### Financial operations and reserves: Narrowing reserve position attributed to variety of factors

Despite maintaining historically healthy reserves, a prior period adjustment in fiscal 2019 coupled with an operating deficit in fiscal 2020 has brought the reserve levels of the district well below the median for Aaa-rated school districts and the 2021 budget indicates another drawdown to fund balance.

In fiscal 2019, the district absorbed a \$8.9 million prior period adjustment resulting in a decrease in fund balance. The adjustment was attributed to the district's repayment of Educational Revenue Augmentation Fund (ERAF) money to the county that was disbursed to the SMMUSD mistakenly as the district's Basic Aid/Community Funded status should have made it ineligible to receive such funds. As a result, the district's general fund balance decreased significantly from \$38.8 million or 22.8% of revenues in 2018 to \$27.5 million or 15.9% of revenues in 2019. On an available operating funds basis reserves declined to 34.4% of revenues from 38.1%.

The district has regularly budgeted deficits before outperforming projections at fiscal year-end. However, weak revenue and expenditure performance largely associated with coronavirus disruptions will force the district to actualize its budgeted deficit in fiscal 2020. SMMUSD anticipates ending the year with a deficit between \$6-\$8 million bringing general fund balance between 11-12% of revenues, well below the rating median. Despite reported expenditure savings in transportation as part of coronavirus-related school closures the district absorbed unforeseen costs associated with getting students and staff online as part of the transition to remote learning. Budgeted revenues were lower than anticipated as the district's portion of a sales taxes sharing arrangement with the City of Santa Monica fell short of expectations as part of the lowered economic activity during the pandemic.

The district's 2021 budget shows \$7.5 million deficit and reduction to fund balance with ending general fund balance of between 7-8% of revenues. Incorporated into the budget is the lower budgeting of local revenues implementation of \$8 million in cuts, and a budgeted 10% reduction in state aid – a modest amount given the district's community funded status. Reserves at these levels would be considerably below Aaa median for school districts in the state and nationwide. Actualizing a deficit of this magnitude would likely exert downward pressure on the rating.

The district's overall financial profile is strengthened by large supplemental revenue streams that significantly increase financial flexibility. The district's revenues include \$12.6 million from a parcel tax, which has no sunset date and is annually adjusted for inflation; \$9.9 million from a facilities use agreement with the city of Santa Monica; \$12.5 million from a one cent sales tax add-on, which does not expire and which the voters directed in a companion ballot measure to be used by the city of Santa Monica to support the district; \$2.5 million from property leases; and \$2.2 million generated annually by a school foundation. Collectively, these supplemental revenues account for about 20% of general fund revenues.

Enrollment has remained stable in recent years and out-of-district transfers in have been providing the district a lever to moderate any declines. Transfers account for about 20% of enrolled students in the current school year. The district's Community Funded/Basic Aid status means management can reduce transfers without a loss in revenue. The district is allowing limited transfers for its dual immersion programs and for the children of city staff, while reducing staffing through attrition as enrollment has started to decline.

#### **LIQUIDITY**

The district's 2019 general fund net cash is \$39.8 million, or 23% of general fund revenues. On an operating funds basis the district's net cash is a stronger \$84.9 million or 40.2% of revenues. The district also has approximately \$15 million outside the general fund which is available for temporary borrowing.

#### **Debt and pensions: average debt burden; moderate and manageable pension and OPEB liabilities**

The district's debt levels are moderate and manageable. Net direct debt burden of the district itself is 1% of AV while the debt burdens for each SFID are approximately .25% of their respective AVs.

SFID 1 (Santa Monica) has \$375 million in outstanding authorization remaining while SFID 2 (Malibu) has \$160 million in outstanding authorization remaining. Both SFID's will likely continue to issue bonds on a 2-3 year cycle as needed.

#### **DEBT STRUCTURE**

The district's general obligation bonds are secured by the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the district. The portion of the levy restricted for debt service is collected, held and transferred directly to the paying agent by Los Angeles County on behalf of the district.

The general obligation bonds issued by the district on behalf of SFID#1 are secured by an unlimited ad valorem tax pledges on all taxable property within SFID#1 while the bonds issued by the district on behalf of SFID#2 are secured by an unlimited ad valorem tax pledges on all taxable property within SFID #2.

The 2001 COPs are secured by a lease payments for the district's use and occupancy of its administrative office facility. The 2010 COPs are secured by lease payments for the district's use and occupancy of Webster Elementary School and Roosevelt Elementary School.

#### **DEBT-RELATED DERIVATIVES**

The district is not party to any interest rate swaps or other derivative agreements

## PENSIONS AND OPEB

District employees participate in the California Public Employee Retirement System (CalPERS) and California State Teachers Retirement System (CalSTRS); multi-employer, defined benefit plans. In fiscal 2019, the district reported a net pension liability approaching \$176 million using a weighted average discount rate of 7.11%. Moody's adjusted net pension liability (ANPL) for the district, using a discount rate of 4.14% under our methodology for adjusting reported pension data, is close to \$454.6 million. The district's three-year average of ANPL to operating revenue is slightly above average at 2.2x.

The district's combined pension contribution to CalPERS and CalSTRS in fiscal 2019 equaled close to \$16.5 million or 7.8% of operating fund revenue. While manageable, this figure continues to escalate. This contribution was slightly below Moody's "Tread Water" indicator of close to \$19.5 million, or the amount required, under reported assumptions, to maintain pension liabilities at their current level. Contributions below this level make future increases in pension contributions likely.

The district has established an irrevocable trust to help fund its other post employment benefits (OPEB) which as of July 2020, stood at \$8.3 million compared to a total OPEB liability of \$37.2 million as of June 30 2019 actuarial study date. The district's estimated pay go contributions for fiscal 2021 are \$1.5 million, under 1% of general fund revenue. The district's reported net OPEB liability (NOL) for fiscal 2018 was \$45.9 million, higher than Moody's adjusted NOL of \$49.7 million. Fixed costs, comprised of pension contributions, debt service and OPEB are 22% of 2019 operating revenues.

## ESG considerations

The district's coastal Los Angeles location puts it at elevated risk for long-term sea level rise and flooding, but these factors do not present an immediate credit risk to the district. The district, and SFID 2 in particular will continue to be exposed to wildfire risk given the close proximity to the heavily wooded Santa Monica Mountains and location with a very high fire hazard severity zone. However, the overall impact of this fire risk to the district's credit quality is mitigated by both the desirable location and high resident wealth levels. These factors will encourage a rapid rebuilding process in the aftermath of any fire, as is occurring already post Woolsey Fire that occurred in 2018.

Social considerations including the district's tax base, socioeconomic measures and enrollment are discussed in the sections below. The district's tax base benefits from very high home values and a desirable coastal Los Angeles location. However, the high median home value will present an ongoing challenge to recruit and retain teachers and staff relative to more affordable areas of the state.

California school districts have an institutional framework score of "A," or moderate. Districts' ability to raise revenue is moderate, since funding levels are set by the state and local revenue-raising is limited to voter-approved parcel taxes or fundraising. Revenue predictability is moderate, with highly predictable property tax revenue offset by the state's ability to make unexpected funding and disbursement reductions. Expenditures primarily consist of personnel costs, which are highly predictable. Districts have a moderate ability to reduce expenditures because of pressures from collective bargaining and state rules that effect the timing of staff reductions.

The district is a community funded or basic aid district, which means it operates under a different funding model than most school districts in the state and receives a majority of revenues in the form of local property taxes, at a level that is above the state guaranteed minimum. Therefore the district's revenue predictability, especially during periods of state budgetary challenges. The district benefits from generating approximately 20% of its revenues from a combination of parcel taxes, sales tax agreements, facilities use agreements and redevelopment increment monies. The district's revenue composition is unique compared to other school districts in the state.

## Rating methodology and scorecard factors

The US Local Government General Obligation Debt methodology includes a scorecard, a tool providing a composite score of a local government's credit profile based on the weighted factors we consider most important, universal and measurable, as well as possible notching factors dependent on individual credit strengths and weaknesses. Its purpose is not to determine the final rating, but rather to provide a standard platform from which to analyze and compare local government credits.

Exhibit 3

Scorecard Factors and Subfactors	Measure	Score
<b>Economy/Tax Base (30%)</b> <sup>[1]</sup>		
Tax Base Size: Full Value (in 000s)	\$59,388,257	Aaa
Full Value Per Capita	\$531,096	Aaa
Median Family Income (% of US Median)	185.8%	Aaa
<b>Finances (30%)</b>		
Fund Balance as a % of Revenues	31.9%	Aaa
5-Year Dollar Change in Fund Balance as % of Revenues	5.6%	A
Cash Balance as a % of Revenues	40.2%	Aaa
5-Year Dollar Change in Cash Balance as % of Revenues	6.8%	A
Notching Factors: <sup>[2]</sup>		
Other Analyst Adjustment to Finances Factor: Local willingness supports diverse revenue stream		Up
<b>Management (20%)</b>		
Institutional Framework	A	A
Operating History: 5-Year Average of Operating Revenues / Operating Expenditures	1.1x	Aaa
<b>Debt and Pensions (20%)</b>		
Net Direct Debt / Full Value (%)	1.0%	Aa
Net Direct Debt / Operating Revenues (x)	2.9x	A
3-Year Average of Moody's Adjusted Net Pension Liability / Full Value (%)	0.8%	Aaa
3-Year Average of Moody's Adjusted Net Pension Liability / Operating Revenues (x)	2.2x	A
Notching Factors: <sup>[2]</sup>		
Other Analyst Adjustment to Debt and Pensions Factor (specify): contingent risk for pensionscontingent risk for pensions		Down
Standardized Adjustments [3]: Unusually strong or weak security features: Secured by statute & lockbox		Up
<b>Other</b>		
Credit Event/Trend Not Yet Reflected in Existing Data Sets: Deficit in 2020 and projected in 2021; considerably weaker general fund operations relative to operating funds		Down
	Scorecard-Indicated Outcome	Aa1
	Assigned Rating	Aaa

[1] Economy measures are based on data from the most recent year available.

[2] Notching Factors are specifically defined in the US Local Government General Obligation Debt methodology.

[3] Standardized adjustments are outlined in the GO Methodology Scorecard Inputs publication.

Source: US Census Bureau, Moody's Investors Service

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