NEW ISSUE—FULL BOOK-ENTRY

RATING: Moody's: "Aa3"
(See "MISCELLANEOUS – Rating" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds, including accounting relating to taxable Capital Appreciation Bonds (as defined herein).

$32,996,025.05
BALDWIN PARK UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Dated: Dated Date **Due: August 1, as shown 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. Capitalized terms used on this cover page but not otherwise defined shall have the meanings assigned thereto herein.

The Baldwin Park Unified School District (Los Angeles County, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"), are being issued to (i) advance refund a portion of the District's outstanding General Obligation Bonds, Election of 2006, Series 2013, and (ii) pay the costs of issuing the Bonds.

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of Los Angeles County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value of and interest on the Bonds when due.

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds, but will instead receive credit balances on the books of their respective nominees.

The Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds"). Interest on the Current Interest Bonds accrues from the date of initial delivery and issuance of the Bonds (the "Dated Date"), and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Capital Appreciation Bonds are dated the Dated Date and accrete interest from such date, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) and will not pay interest on a current basis.

Payments of principal and Accreted Value of and interest on the Bonds will be made by the Paying Agent, Bond Registrar and Transfer Agent (the "Paying Agent") to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. U.S. Bank National Association has been appointed as agent of the Treasurer and Tax Collector of Los Angeles County to act as Paying Agent for the Bonds.

The Bonds are subject to optional redemption as provided herein. The Bonds are further subject to mandatory sinking fund redemption as provided herein.

MATURITY SCHEDULE
(see inside front cover)

The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. Certain matters are being passed upon for the Underwriter by Kutak Rock LLP, Denver, Colorado. The Bonds, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company in New York, New York, on or about November 21, 2019.

Morgan Stanley

Dated: November 5, 2019

MATURITY SCHEDULE

$32,996,025.05
BALDWIN PARK UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

Base CUSIP[(1)]: 058219

$16,655,000 Current Interest Term Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP[(1)] Suffix
2037	$1,445,000	3.308%	3.308%	UP9
2046	15,210,000	4.256	3.639[(2)]	UQ7

$16,341,025.05 Capital Appreciation Term Bonds

Maturity (August 1)	Denominational Amount	Accretion Rate	Yield	Maturity Value	CUSIP[(1)] Suffix
2044	$16,341,025.05	4.250%	4.250%	$46,165,000	UR5

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(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.
(2) Yield to call at par on August 1, 2029.

This Official Statement does not constitute an offering of any security other than the original offering of the Bonds of the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein, other than that provided by the District, has been obtained from sources which are believed to be reliable, but is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced in this Official Statement, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

The Underwriter has provided the following 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."

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICES OF THE BONDS AT LEVELS ABOVE THOSE THAT MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN SECURITIES DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER 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 on the District's website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

Board of Trustees

Christina Lucero, *President*
Betsabel Lara, *Clerk*
Santos Hernandez, Jr., *Member*
Deanna C. Robles, *Member*
Robert G. Varela, *Member*

District Administration

Froilan N. Mendoza, Ed.D., *Superintendent*
Lydia Cano, *Deputy Superintendent of Business and Operations*

PROFESSIONAL SERVICES

Bond Counsel and Disclosure Counsel

Stradling Yocca Carlson & Rauth,
a Professional Corporation
San Francisco, California

Municipal Advisor

Montague DeRose and Associates, LLC
Westlake Village, California

Paying Agent, Registrar, and Transfer Agent

U.S. Bank National Association, as agent of the
Treasurer and Tax Collector of the County of Los Angeles
Los Angeles, California

Escrow Agent

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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BALDWIN PARK UNIFIED SCHOOL DISTRICT
(Los Angeles County, California)
2019 General Obligation Refunding Bonds
(Federally Taxable)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of Baldwin Park Unified School District (Los Angeles County, California) 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds").

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 page 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 District

The Baldwin Park Unified School District (the "District") covers approximately seven square miles in the eastern part of Los Angeles County (the "County"), and serves the City of Baldwin Park, portions of the Cities of Irwindale, Industry and West Covina, and unincorporated areas of the County. The District currently maintains 13 elementary schools, four middle schools, two high schools, plus a continuation high school, an adult education program, alternative education school and an early childhood education program. For fiscal year 2019-20 the District's budgeted average daily attendance ("ADA") is 11,576 students, and taxable property within the District has an assessed valuation of $5,519,867,661.

The District is governed by a five-member Board of Education (the "District Board"), each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the District Board who is responsible for day-to-day District operations as well as the supervision of the District's other personnel. Dr. Froilan N. Mendoza is currently the District Superintendent.

See "BALDWIN PARK UNIFIED SCHOOL DISTRICT" and "DISTRICT FINANCIAL INFORMATION" herein for information regarding the District generally and "TAX BASE FOR REPAYMENT OF BONDS" herein for information regarding the District's assessed valuation. The audited financial statements of the District for fiscal year ending June 30, 2018 are attached hereto as APPENDIX B, and should be read in their entirety.

Purpose of the Bonds

The Bonds are being issued to (i) advance refund a portion of the District's outstanding General Obligation Bonds, Election of 2006, Series 2013 (the "2006 Series 2013 Bonds") and (ii) pay the costs of issuing the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein. The 2006 Series 2013 Bonds to be refunded with proceeds of the Bonds are referred to herein as the "Refunded Bonds."

Concurrently with the issuance of the Bonds, the District will enter into an escrow agreement (the "Escrow Agreement") with U.S. Bank National Association, as escrow agent (the "Escrow Agent"), pursuant to which the District will deposit the net proceeds of the Bonds into the Escrow Fund (as defined herein) held pursuant thereto, such proceeds to be used to purchase certain Federal Securities (as defined herein), the maturing principal of which, together with interest and earnings thereon, and any other proceeds of the Bonds held as cash, will be sufficient to pay the respective redemption prices of the Refunded Bonds on August 1, 2023, as well as the interest due on the Refunded Bonds on and prior to such date. See "THE BONDS – Application and Investment of Bond Proceeds" herein.

Authority for Issuance of the Bonds

The Bonds are being issued pursuant to certain provisions of the Government Code of the State of California and pursuant to a resolution adopted by the Board on October 8, 2019 (the "Resolution"). See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

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

Description of the Bonds

Form and Registration. The Bonds will be issued in fully registered book-entry form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See "THE BONDS – General Provisions" and "THE BONDS – Book-Entry Only System" herein. Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds purchased, but will instead receive credit balances on the books of their respective nominees. In the event that the book-entry only system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution. See "THE BONDS – Discontinuation of Book-Entry Only System; Payment to Beneficial Owners" herein.

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and in APPENDIX A attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Current Interest and Capital Appreciation Bonds. The Bonds will be issued as current interest bonds (the "Current Interest Bonds") and capital appreciation bonds (the "Capital Appreciation Bonds").

The Current Interest Bonds will bear periodic interest as further described herein. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) and will not bear interest on a current basis. The maturity value of each Capital Appreciation Bond is equal to its Accreted Value (defined herein) upon the maturity thereof (the "Maturity Value"), comprising its initial principal amount (the "Denominational Amount") and the interest accreting thereon between the Dated Date (defined herein) and its respective maturity date.

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount or Maturity Value, as applicable, or any integral multiple thereof (except for one odd denomination of Capital Appreciation Bonds, if necessary).

Redemption. Certain of the Bonds are subject to optional and mandatory sinking fund redemption prior to maturity, as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of the date of their initial execution and issuance (the "Dated Date"). Interest on the Current Interest Bonds accrues from the Dated Date, and is payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing February 1, 2020. Principal of the Current Interest Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

The Capital Appreciation Bonds will accrete in value from their Denominational Amounts on the Dated Date to their respective Maturity Values, at the Accretion Rates (defined herein) per annum set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) according to the amounts set forth in the Accreted Values table as shown in APPENDIX D hereto.

Payments of the principal and Accreted Value of and interest on the Bonds will be made by the designated paying agent, bond registrar and transfer agent (the "Paying Agent") to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds. U.S. Bank National Association, Los Angeles, California, has been appointed as agent of the Treasurer and Tax Collector of the County (the "Treasurer") to act as Paying Agent for the Bonds.

Tax Matters

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"). In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

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 will be available in book-entry form for delivery through the facilities of DTC in New York, New York, on or about November 21, 2019.

Continuing Disclosure

The District will covenant for the benefit of Owners and Beneficial Owners to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events in compliance with Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) (the "Rule"). These covenants will be made in order to assist the Underwriter (defined herein) in complying with the Rule. The specific nature of the information to be made available and of the notices of listed events required to be provided are summarized in APPENDIX C attached hereto.

Bond Owner's Risks

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes which may be levied on all taxable property in the District, without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates). For more complete information regarding the taxation of property within the District, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Montague DeRose and Associates, LLC, Westlake Village, California, is acting as municipal advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth, a Professional Corporation, and Montague DeRose and Associates, LLC will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed upon for the Underwriter by Kutak Rock LLP, Denver, Colorado. U.S. Bank National Association, Los Angeles, California, has been appointed as agent of the Treasurer to act as Paying Agent for the Bonds. In addition U.S. Bank National Association has been appointed as Escrow Agent with respect to the Refunded Bonds. Causey Demgen & Moore P.C. is acting as Verification Agent (as defined herein) with respect to the Bonds and the Refunded 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," "intend," 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. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Baldwin Park Unified School District, 3699 N. Holly Avenue, Baldwin Park, California 91706, telephone: (626) 962-3311. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or 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 so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

The information set forth herein, other than that provided by the District, has been obtained from official sources which are believed to be reliable but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolution.

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and the Resolution.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* property taxes. The Board of Supervisors of the County is empowered and obligated to annually levy such *ad valorem* property taxes, without limitation as to rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal and Accreted Value of and interest on the Bonds when due.

Such *ad valorem* property taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal and Accreted Value of and interest on the Bonds when due. The levy may include an allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The County, however, is not obligated to establish or maintain such a reserve for the Bonds, and the District can make no representation that such a reserve will be established by the County or that such a reserve, if previously established by the County, will be maintained in the future. Such taxes, when collected, will be placed by the County in the Debt Service Fund (defined herein) established by the Resolution, which fund is required to be segregated and maintained by the County and which is designated for the payment of the principal and Accreted Value of the Bonds and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the County is obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and will maintain the Debt Service Fund, the Bonds are not a debt of the County.

Moneys in the Debt Service Fund, to the extent necessary to pay the principal and Accreted Value of and interest on the Bonds as the same become due and payable, will be transferred by the County to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal, Maturity Value, and interest to its DTC Participants (as defined herein) for subsequent disbursement to the respective Beneficial Owners of such Bonds.

The amount of the annual *ad valorem* property taxes levied by the County to repay the Bonds as described above will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service due on the Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control, such as general market decline in real property values, disruption in financial markets that may reduce the 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, fire, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the respective annual tax rates. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Statutory Lien

Pursuant to Government Code Section 53515, 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.

This statutory lien, by its terms, secures not only the Bonds, but also any other bonds of the District issued after January 1, 2016 and payable, as to both principal and interest, from the proceeds of *ad valorem* property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIIIA of the State Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of such *ad valorem* property taxes are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

General Provisions

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 DTC. Beneficial Owners will not receive physical certificates representing their interests in the Bonds, but will instead receive credit balances on the books of their respective nominees.

Current Interest Bonds. Interest on the Current Interest Bonds accrues from the Dated Date, and is payable on each Bond Payment Date, commencing February 1, 2020. Interest on the Current Interest Bonds will be computed on the basis of a 360-day year of twelve 30-day months. Each Current Interest Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to and including such Bond Payment Date, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2020, in which event it will bear interest from the Dated Date. The Current Interest Bonds are issuable in denominations of $5,000 principal amount, or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover page hereof.

Capital Appreciation Bonds. Interest on each Capital Appreciation Bond is represented by the amount each such Bond accretes in value from its respective Denominational Amount on the Dated Date to the date for which the Accreted Value is calculated. The value of a Capital Appreciation Bond as of any date (the "Accreted Value") is calculated by discounting, on a 30-day month, 360-day year basis, its Maturity Value on the basis of a constant rate (the "Accretion Rate") compounded semiannually on February 1 and August 1 of each year to the date for which an Accreted Value is calculated, and if the date for which the Accreted Value is calculated is between February 1 and August 1, by pro-rating such Accreted Values to the closest prior or subsequent February 1 and August 1.

The Capital Appreciation Bonds will not pay interest on a periodic basis. The Capital Appreciation Bonds accrete in value from their Dated Date at the Accretion Rates per annum set forth on the inside cover page hereof, compounded semiannually on February 1 and August 1 of each year, commencing February 1, 2020. The Maturity Value of a Capital Appreciation Bond is equal to the Accreted Value thereof at its maturity date.

See also the maturity schedule on the inside cover page hereof, "—Annual Debt Service" herein, and "APPENDIX D – ACCRETED VALUES TABLE" attached hereto.

Payments. Payment of interest on any Current Interest Bond on any Bond Payment Date will be made to the person appearing on the registration books of the Paying Agent as the registered Owner thereof as of the 15th day of the month immediately preceding such Bond Payment Date (the "Record Date"), such interest to be paid by wire transfer to the bank and account number on file with the Paying Agent as of the Record Date. The principal and Accreted Value of and redemption premiums, if any, payable on the Bonds will be payable upon maturity upon surrender at the designated office of the Paying Agent. The principal and Accreted Value of, and interest, and redemption premiums, if any, on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. So long as the Bonds are held in the book-entry system of DTC, all payments of principal and Accreted Value of and interest on the Bonds will be made by the Paying Agent to Cede & Co. (as a nominee of DTC), as the registered Owner of the Bonds.

Annual Debt Service

The following table shows the annual debt service requirements of the District for the Bonds (assuming no optional redemptions).

	Current Interest Bonds		Capital Appreciation Bonds		
Year Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Annual Principal Payment[(2)]	Accreted Interest Payment[(2)]	Total Annual Debt Service
2020	--	$482,734.86	--	--	$482,734.86
2021	--	695,138.20	--	--	695,138.20
2022	$5,000.00	695,138.20	--	--	700,138.20
2023	35,000.00	694,972.80	--	--	729,972.80
2024	45,000.00	693,815.00	--	--	738,815.00
2025	50,000.00	692,326.40	--	--	742,326.40
2026	55,000.00	690,672.40	--	--	745,672.40
2027	65,000.00	688,853.00	--	--	753,853.00
2028	80,000.00	686,702.80	--	--	766,702.80
2029	85,000.00	684,056.40	--	--	769,056.40
2030	95,000.00	681,244.60	--	--	776,244.60
2031	110,000.00	678,102.00	--	--	788,102.00
2032	120,000.00	674,463.20	--	--	794,463.20
2033	130,000.00	670,493.60	--	--	800,493.60
2034	145,000.00	666,193.20	--	--	811,193.20
2035	155,000.00	661,396.60	--	--	816,396.60
2036	175,000.00	656,269.20	--	--	831,269.20
2037	95,000.00	650,480.20	--	--	745,480.20
2038	--	647,337.60	--	--	647,337.60
2039	--	647,337.60	$2,674,243.35	$3,448,026.45	6,769,607.40
2040	--	647,337.60	2,799,902.70	3,885,312.90	7,332,553.20
2041	--	647,337.60	2,815,831.35	4,196,262.50	7,659,431.45
2042	--	647,337.60	2,835,299.70	4,528,533.60	8,011,170.90
2043	--	647,337.60	2,849,458.50	4,868,962.00	8,365,758.10
2044	1,410,000.00	647,337.60	2,366,289.45	4,318,710.55	8,742,337.60
2045	8,550,000.00	587,328.00	--	--	9,137,328.00
2046	5,250,000.00	223,440.00	--	--	5,473,440.00
Total	$16,655,000.00	$17,385,183.86	$16,341,025.05	$25,245,808.00	$75,627,016.91

(1) Interest payments on the Current Interest Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2020.

(2) The Capital Appreciation Bonds are payable only at maturity (unless earlier redeemed) on August 1 of the years indicated on the inside cover page hereof, and interest on such Capital Appreciation Bonds is compounded semiannually on February 1 and August 1, commencing February 1, 2020.

See "BALDWIN PARK UNIFIED SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a schedule of the combined debt service requirements for all of the District's outstanding general obligation bonds.

Application and Investment of Bond Proceeds

The Bonds are being issued to (i) advance refund the Refunded Bonds and (ii) pay the costs of issuing the Bonds. Information regarding specific maturities of the Refunded Bonds are listed in the following table.

REFUNDED BONDS
Baldwin Park Unified School District
General Obligation Bonds, Election of 2006, Series 2013
(Current Interest Bonds)

Maturity Date (August 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price (% of Par Amount)	CUSIP[(1)]
2043	$8,855,000	5.000%	August 1, 2023	100%	058219RJ7

REFUNDED BONDS
Baldwin Park Unified School District
General Obligation Bonds, Election of 2006, Series 2013
(Capital Appreciation Bonds)

Maturity Date (August 1)	Denominational Amount	Accretion Rate	Redemption Date	Accreted Value at Redemption Date	Redemption Price (Accreted Value)	CUSIP[(1)]
2042	$4,122,218.10	6.870%	August 1, 2023	$7,894,294.10	100%	058219SP2
2048	4,641,773.40	7.130	August 1, 2023	9,106,672.35	100	058219SR8
2053	3,901,773.15	7.250	August 1, 2023	7,740,603.90	100	058219SS6

Escrow Fund. The net proceeds from the sale of the Bonds will be deposited with the Escrow Agent, to the credit of the "Baldwin Park Unified School District 2019 General Obligation Refunding Bonds (Federally Taxable) Escrow Fund" (the "Escrow Fund"). Pursuant to the Escrow Agreement, the amounts deposited in the Escrow Fund will be used to purchase certain non-callable direct and general obligations of the United States of America, or non-callable obligations the payment of which is unconditionally guaranteed by the United States of America (collectively, the "Federal Securities"), the principal of and interest on which will be sufficient, together with any monies deposited in the Escrow Fund and held as cash, to enable the Escrow Agent to pay the redemption price of the Refunded Bonds on August 1, 2023, such date being the first optional redemption date therefor, as well as the interest due on the Refunded Bonds on and prior to such date. Amounts deposited into the Escrow Fund under the Escrow Agreement are not available to pay any other obligations of the District.

The sufficiency of the amounts on deposit in the Escrow Fund, together with realizable interest and earnings thereon, to refund the Refunded Bonds as described above will be verified by Causey Demgen & Moore P.C., as the verification agent (the "Verification Agent"). As a result of the deposit and application of funds so provided in the Escrow Agreement, and assuming the accuracy of the

(1) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. None of the Underwriter, the Municipal Advisor or the District is responsible for the selection or correctness of the CUSIP numbers set forth herein. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Municipal Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds and Refunded Bonds. The CUSIP number for a specific maturity is subject to being changed as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds and Refunded Bonds.

computations of the Underwriter and the Verification Agent, the Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* property taxes for payment of the Refunded Bonds will terminate. See "LEGAL MATTERS – Escrow Verification" herein.

Debt Service Fund. A portion of the proceeds received by the District from the sale of the Bonds, and any accrued interest and surplus moneys in the Escrow Fund following the redemption of the Refunded Bonds will be deposited or transferred to and accounted for in the fund designated as the "Baldwin Park Unified School District 2019 General Obligation Refunding Bonds (Federally Taxable) Debt Service Fund" (the "Debt Service Fund") and used by the District only for payment of principal of and interest on the Bonds and for no other purpose. Any excess proceeds of the Bonds not needed for the authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of principal of and interest on the Bonds. Pursuant to the Resolution, the District has pledged monies on deposit in the Debt Service Fund to the payment of the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Investment of Proceeds. Funds on deposit in the Escrow Fund will be invested as described above. Moneys in the Debt Service Fund will be invested through the County's pooled investment fund. See "APPENDIX F – LOS ANGELES COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption. The Current Interest Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2029 at a redemption price equal to the principal amount of the Current Interest Bonds to be redeemed, plus interest accrued thereon to the date fixed for redemption, without premium.

The Capital Appreciation Bonds are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2029 at a redemption price equal to the Accreted Value of such Capital Appreciation Bonds to be redeemed as of the date set for such redemption, without premium.

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Mandatory Redemption. The Current Interest Bonds maturing on August 1, 2037 (the "2037 Term Bonds"), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2022, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such 2037 Term Bonds to be so redeemed, the dates therefor, and the final payment date are as indicated in the following table:

	Year Ending August 1	Principal To Be Redeemed
	2022	$5,000.00
	2023	35,000.00
	2024	45,000.00
	2025	50,000.00
	2026	55,000.00
	2027	65,000.00
	2028	80,000.00
	2029	85,000.00
	2030	95,000.00
	2031	110,000.00
	2032	120,000.00
	2033	130,000.00
	2034	145,000.00
	2035	155,000.00
	2036	175,000.00
	2037(1)	95,000.00
Total:		$1,445,000.00

(1) Maturity.

In the event that a portion of the 2037 Term Bonds shown above is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect of the portion of such 2037 Term Bonds optionally redeemed.

The Current Interest Bonds maturing on August 1, 2046 (the "2046 Term Bonds"), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2044, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such 2046 Term Bonds to be so redeemed, the dates therefor, and the final payment date are as indicated in the following table:

	Year Ending August 1	Principal To Be Redeemed
	2044	$1,410,000
	2045	8,550,000
	2046(1)	5,250,000
Total:		$15,210,000

(1) Maturity.

In the event that a portion of the 2046 Term Bonds shown above is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 principal amount, in respect of the portion of such 2046 Term Bonds optionally redeemed.

The Capital Appreciation Bonds maturing on August 1, 2044 (the "2044 Term Bonds"), are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2039, at a redemption price equal to the Accreted Value thereof as of the date fixed for redemption, without premium. The Accreted Value represented by such 2044 Term Bonds to be so redeemed and the redemption dates therefor, and the final Accreted Value payment date is as indicated in the following table:

Year Ending August 1	**Accreted Value To Be Redeemed**
2039	$6,122,269.80
2040	6,685,215.60
2041	7,012,093.85
2042	7,363,833.30
2043	7,718,420.50
2044[(1)]	6,685,000.00

(1) Maturity.

In the event that a portion of the 2044 Term Bonds shown above is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments with respect thereto shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 Maturity Value, in respect of the portion of such 2044 Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select Bonds for redemption as so directed by the District, and if not so directed, in inverse order of maturity. Within a maturity, If less than all of the outstanding Bonds are to be redeemed prior to maturity, the District will select the portions of the (i) Current Interest Bonds equal to $5,000 principal amount or any integral multiple thereof or (ii) Capital Appreciation Bonds equal to the Accreted value per $5,000 Maturity Value thereof, to be redeemed on a "Pro Rata Pass-Through Distribution of Principal" basis in accordance with DTC procedures; provided that, so long as the Bonds are held in book-entry form, the selection for redemption of such Bonds shall be made in accordance with the operational arrangements of DTC then in effect, and, if the DTC operational arrangements do not allow for redemption on a Pro Rata Pass-Through Distribution of Principal basis, the portions of the Bonds will be selected for redemption, in accordance with DTC procedures, by lot. It is the District's intent that the redemption allocations described herein with respect to the Bonds be made on a Pro Rata Pass-Through Distribution of Principal basis. However, the District can provide no assurance that DTC, the Participants or any other intermediaries will allocate redemptions among Beneficial Owners on such basis. See "—Book-Entry Only System" herein.

Redemption Notice. When redemption is authorized or required pursuant to the Resolution, the Paying Agent, upon written instruction from the District, will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will 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 Bond 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 portion of the principal amount or Accreted Value of such Bond to be redeemed, and (g) the original issue date, interest rate, accretion rate and stated maturity date of each Bond to be redeemed in whole or in part.

The Paying Agent will take the following actions with respect to each such Redemption Notice: (a) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given to the respective Owners of Bonds designated for redemption by registered or certified mail, postage prepaid, at their addresses appearing on the bond register; (b) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, telephonically confirmed facsimile transmission, or overnight delivery service, to the Securities Depository; (c) at least 20 but not more than 45 days prior to the redemption date, such Redemption Notice will be given by registered or certified mail, postage prepaid, or overnight delivery service, to one of the Information Services; and (d) provide a Redemption Notice to such other persons as may be required pursuant to the Continuing Disclosure Certificate.

"Information Services" means the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System; or, such other services providing information with respect to called municipal obligations as the District may specify in writing to the Paying Agent or as the Paying Agent may select.

"Securities Depository" means The Depository Trust Company, 55 Water Street, New York, New York 10041.

A certificate of the Paying Agent or the District that a Redemption Notice has been given as provided in the Resolution will be conclusive as against all parties. Neither failure to receive any Redemption Notice nor any defect in any such Redemption Notice so given will affect the sufficiency of the proceedings for the redemption of the affected Bonds. Each check issued or other transfer of funds made by the Paying Agent for the purpose of redeeming Bonds will bear or include the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Payment of Redeemed Bonds. When a Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, Accreted Value, interest, and premium, if any) is irrevocably set aside in trust for that purpose, as described in "—Defeasance" herein, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice, said Bonds will be redeemed and paid at the redemption price out of such funds. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will authenticate and deliver to the Owner thereof a new Bond or Bonds of like tenor and maturity and of authorized denominations equal in Transfer Amount (which, with respect to any outstanding Current Interest Bonds, means the principal amount, and with respect to any outstanding Capital Appreciation Bond, means the Maturity Value) to the unredeemed portion of the Bond surrendered. Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the County and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest accrued or accreted to such redemption date, is held by an independent escrow agent selected by the District so as to be available therefor on such redemption date as described in the Resolution and in "—Defeasance" herein, and if a Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue or accrete and become payable. All money held for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed.

Rescission of Redemption Notice. With respect to any Redemption Notice in connection with the optional redemption of Bonds (or portions thereof) as described above, unless upon the giving of such notice such Bonds or portions thereof shall be deemed to have been defeased as described in "—Defeasance" herein, such Redemption Notice will state that such redemption will be conditional upon the receipt by the Paying Agent (or an independent escrow agent selected by the District), on or prior to the date fixed for such redemption, of the moneys necessary and sufficient to pay the principal, Accreted Value, premium, if any, and interest on, such Bonds (or portions thereof) to be redeemed, and that if such moneys shall not have been so received said Redemption Notice will be of no force and effect, no portion of the Bonds will be subject to redemption on such date and such Bonds will not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter (but in no event later than the date initially set for redemption) give notice to the persons to whom and in the manner in which the Redemption Notice was given that such moneys were not so received. In addition, the District will have the right to rescind any Redemption Notice, by written notice to the Paying Agent, on or prior to the date fixed for such redemption. The Paying Agent will distribute a notice of the rescission of such Redemption Notice in the same manner as such notice was originally provided.

Bonds No Longer Outstanding. When any Bonds (or portions thereof), which have been duly called for redemption prior to maturity pursuant to the provisions of the Resolution, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, in form satisfactory to it, and sufficient moneys shall be held irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, and, in the case of Current Interest Bonds, accrued interest thereon to the date fixed for redemption, all as provided in the Resolution, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

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Book-Entry Only System

The information under this caption concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but neither the District nor the Underwriter takes any responsibility for the accuracy or completeness thereof. The District and the Underwriter cannot and do not give any assurances that DTC, Direct Participants or Indirect Participants (as defined herein) (collectively, the "DTC Participants") will distribute to the Beneficial Owners (a) payments of principal and Accreted Value of, interest on, or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, Direct Participants or 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 "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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 certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such bond, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to DTC Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. However, the information presented on such website is not incorporated herein by any reference to such website.

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 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 the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

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

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

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 the 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 as soon as possible after the Record Date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds or distributions 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 the payable date in accordance with their respective holdings shown on DTC's records. Payments by DTC Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the 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 the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

So long as Cede & Co. is the registered Owner of the Bonds, as nominee of DTC, references herein to the "Owners," "Bond Owners" or "Holders" of the Bonds (other than under the caption "TAX MATTERS" herein and "APPENDIX A – FORM OF OPINION OF BOND COUNSEL" attached hereto) will mean Cede & Co. and will not mean the Beneficial Owners of the Bonds.

Discontinuation of Book-Entry Only System; Payment to Beneficial Owners

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain at its designated office all books and records necessary for the registration, exchange and transfer of such Bonds, which will at all times be open to inspection by the District, and, upon presentation for such purpose, the Paying Agent shall, under such reasonable regulations as it may prescribe, register, exchange or transfer or cause to be registered, exchanged or transferred, on said books, Bonds as provided in the Resolution.

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

The principal and Accreted Value of, premium and interest on the Bonds upon the redemption thereof will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated trust office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by wire 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 like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount or Maturity Value thereof, as applicable) upon presentation and surrender at the principal office of the Paying Agent, 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 on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent, together with an assignment executed by the 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 register, 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 Transfer Amount of the Bond surrendered and bearing or accruing interest at the same rate and maturing on the same date. Capital Appreciation Bonds and Current Interest Bonds may not be exchanged for one another.

Neither the District nor the Paying Agent will be required to (a) issue or transfer any Bonds during a period beginning with the opening of business on the 16th day next preceding either any Bond Payment Date or any date of selection of Bonds to be redeemed and ending with the close of business on the Bond Payment Date or any day on which the applicable Redemption Notice is given or (b) transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

All or any portion of the outstanding maturities of the Bonds may be defeased at any time prior to maturity in the following ways:

(a) Cash: by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts transferred from the Debt Service Fund (if any), is sufficient to pay and discharge all such Bonds outstanding and designated for defeasance (including all principal thereof, accreted or accrued interest thereonthereon and redemption premiums, if any) at or before their maturity date; or

(b) Government Obligations: by irrevocably depositing with an independent escrow agent selected by the District noncallable Government Obligations together with cash, if required, and amounts transferred from the Debt Service Fund (if any), in such amount as will, together with the interest to accrue thereon, in the opinion of an independent certified public accountant, be fully sufficient to pay and discharge all Bonds outstanding and designated for defeasance (including all principal thereof, accreted or accrued interest thereon and redemption premiums, if any) at or before their maturity date;

then, notwithstanding that any of such Bonds shall not have been surrendered for payment, all obligations of the District with respect to all such designated outstanding Bonds shall cease and terminate, except only the obligation of the independent escrow agent selected by the District to pay or cause to be paid from funds deposited pursuant to paragraphs (a) or (b) above, to the Owners of such designated Bonds not so surrendered and paid all sums due with respect thereto.

"Government Obligations" means direct and general obligations of the United States of America, obligations that are unconditionally guaranteed as to principal and interest by the United States of America (which may consist of obligations of the Resolution Funding Corporation that constitute interest strips), and obligations secured or otherwise guaranteed, directly or indirectly, as to principal and interest by a pledge of the full faith and credit of the United States of America. In the case of direct and general obligations of the United States of America, Government Obligations shall include evidences of direct ownership of proportionate interests in future interest or principal payments of such obligations. Investments in such proportionate interests must be limited to circumstances where (a) a bank or trust company acts as custodian and holds the underlying United States obligations; (b) the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying United States obligations; and (c) the underlying United States obligations are held in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated; provided that all such obligations are rated or assessed by either S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") or Moody's Investors Service ("Moody's") at least as high as direct and general obligations of the United States of America.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds with respect to the Bonds are expected to be as follows:

Sources of Funds	
Principal Amount of Bonds	$32,996,025.05
Original Issue Premium	760,500.00
Total Sources	$33,756,525.05
Uses of Funds	
Escrow Fund	$33,345,441.58
Debt Service Fund	70,000.00
Underwriter's Discount	134,959.62
Costs of Issuance(1)	206,123.85
Total Uses	$33,756,525.05

(1) Represents all costs of issuance to be paid from proceeds of the Bonds, including, but not limited to, municipal advisory and legal fees, printing costs, the costs and fees of the Paying Agent, Escrow Agent, and Verification Agent, rating agency fees, and other costs of issuance of the Bonds.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The principal and Accreted Value of and interest on the Bonds are payable solely from the proceeds of* ad valorem *property 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

District property taxes are assessed and collected by the County at the same time and on the same tax rolls as County, city and special district property taxes. Assessed valuations are the same for both the District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Unsecured property is assessed on the "unsecured roll." Unsecured property comprises all property not attached to land, such as personal property or business property. Boats and airplanes are examples of unsecured property. A supplemental roll is developed when property changes hands or new construction is completed. The County levies and collects all property taxes for property falling within the County's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are payable in two installments, due November 1 and February 1 of the calendar year. If unpaid, such taxes become delinquent on December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus any additional amount determined by the Tax Collector of the County (the "Tax Collector"). After the second installment of taxes on the secured roll is delinquent, the tax collector shall collect a cost of $10 for preparing the delinquent tax records and giving notice of delinquency. Property on the secured roll with delinquent taxes is declared tax-defaulted on July 1 of the calendar year. Such property may thereafter be redeemed, until the right of redemption is terminated, by payment of the delinquent taxes and the delinquency penalty, plus a $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Tax Collector.

Property taxes on the unsecured roll as of July 31 become delinquent if they are not paid by August 31 and are thereafter subject to a delinquent penalty of 10%. Taxes added to the unsecured tax roll after July 31, if unpaid are delinquent and subject to a penalty of 10% on the last day of the month succeeding the month of enrollment. In the case of unsecured property taxes, an additional penalty of 1.5% per month begins to accrue when such taxes remain unpaid on the last day of the second month after the 10% penalty attaches. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the county recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. See also "– Tax Levies, Collections and Delinquencies" herein.

State law exempts from taxation $7,000 of the full cash value of an owner-occupied dwelling, but this exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

All property is assessed using full cash value as defined by Article XIIIA of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property, such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including school districts, will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

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Assessed Valuations

The following represents the 10-year history of assessed valuations in the District, as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

ASSESSED VALUATIONS
Baldwin Park Unified School District
Fiscal Years 2010-11 through 2019-20

Fiscal Year	Local Secured[(1)]	Utility	Unsecured	Total	% Change
2010-11	$3,668,378,294	$1,272,500	$176,873,795	$3,846,524,589	--
2011-12	3,683,584,056	10,000	169,564,648	3,853,158,704	0.17%
2012-13	3,708,206,377	--	166,032,750	3,874,239,127	0.55
2013-14	3,832,854,427	--	164,988,571	3,997,842,998	3.19
2014-15	4,049,250,167	--	184,734,062	4,233,984,229	5.91
2015-16	4,250,297,239	--	184,640,968	4,434,938,207	4.75
2016-17	4,425,922,499	--	183,824,039	4,609,746,538	3.94
2017-18	4,683,221,405	--	180,124,465	4,863,345,870	5.50
2018-19	4,969,524,263	--	197,364,370	5,166,888,633	6.24
2019-20	5,322,959,511	--	196,908,150	5,519,867,661	6.83

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real 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, drought, fire, 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 rates levied by the County to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations. Under State law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization (the "SBE"), with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed.

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

In addition to the above-described taxpayer appeals, county assessors may independently reduce assessed valuations based on changes in the market value of property, or for other factors such as the complete or partial destruction of taxable property caused by natural or man-made disasters such as earthquakes, floods, fire, drought or toxic contamination pursuant to relevant provisions of the State Constitution.

Whether resulting from taxpayer appeals or county assessor reductions, adjustments to assessed value are subject to yearly reappraisals by the county assessor and may be adjusted back to their original values when real estate market conditions improve. Once property has regained its prior assessed value, adjusted for inflation, it once again is subject to the annual inflationary growth rate factor allowed under Article XIIIA. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" herein.

The District does not have information regarding pending appeals of assessed valuation of property within the District. No assurance can be given that property tax appeals currently pending or in the future, or actions by the county assessor, will not significantly reduce the assessed valuation of property within the District.

Assembly Bill 102. On June 27, 2017, the Governor of the State (the "Governor") signed into law Assembly Bill 102 ("AB 102"). AB 102 restructured the functions of the SBE and created two new separate agencies: (i) the California Department of Tax and Fee Administration, and (ii) the Office of Tax Appeals. Under AB 102, the California Department of Tax and Fee Administration took over programs previously in the SBE Property Tax Department, such as the Tax Area Services Section, which is responsible for maintaining all property tax-rate area maps and for maintaining special revenue district boundaries. Under AB 102, the SBE continues to perform the duties assigned by the State Constitution related to property taxes, however, effective January 1, 2018, the SBE will only hear appeals related to the programs that it constitutionally administers and the Office of Tax Appeals will hear appeals on all other taxes and fee matters, such as sales and use tax and other special taxes and fees. AB 102 obligates the Office of Tax Appeals to adopt regulations as necessary to carry out its duties, powers, and responsibilities. No assurances can be given as to the effect of such regulations on the appeals process or on the assessed valuation of property within the District.

Assessed Valuation by Jurisdiction. The following table shows an analysis of the distribution of taxable property in the District by jurisdiction, in terms of its fiscal year 2019-20 assessed valuation.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2019-20
Baldwin Park Unified School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Baldwin Park	$5,037,443,908	91.26%	$5,134,516,832	98.11%
City of Industry	1,184,074	0.02	9,659,367,077	0.01
City of Irwindale	464,571,932	8.42	2,688,094,932	17.28
City of West Covina	16,194,236	0.29	12,471,757,957	0.13
Unincorporated Los Angeles County	473,511	0.01	111,408,534,823	0.00
Total District	$5,519,867,661	100.00%		
Los Angeles County	$5,519,867,661	100.00%	$1,612,990,196,814	0.34%

Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table shows the distribution of taxable property within the District by principal use, as measured by assessed valuation and parcels in fiscal year 2019-20.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2019-20
Baldwin Park Unified School District

Non-Residential:	**2019-20 Assessed Valuation**[1]	**% of Total**	**No. of Parcels**	**% of Total**
Commercial	$580,557,114	10.91%	397	2.57%
Vacant Commercial	10,673,728	0.20	56	0.36
Industrial	771,117,825	14.49	377	2.44
Vacant Industrial	19,540,273	0.37	94	0.61
Recreational	21,137,886	0.40	7	0.05
Government/Social/Institutional	46,664,641	0.88	292	1.89
Subtotal Non-Residential	$1,449,691,467	27.23%	1,223	7.91%
Residential:				
Single Family Residence	$2,989,814,693	56.17%	11,362	73.46%
Condominium/Townhouse	341,174,952	6.41	1,516	9.80
Mobile Home Park	7,434,477	0.14	7	0.05
Mobile Home	2,422,645	0.05	143	0.92
2-4 Residential Units	290,469,870	5.46	757	4.89
5+ Residential Units/Apartments	213,168,908	4.00	170	1.10
Vacant Residential	28,782,499	0.54	289	1.87
Subtotal Residential	$3,873,268,044	72.77%	14,244	92.09%
Total	$5,322,959,511	100.00%	15,467	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 shows the distribution of single family homes within the District among various fiscal year 2019-20 assessed valuation ranges, as well as the average and median assessed valuation of single family homes within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2019-20
Baldwin Park Unified School District

	No. of Parcels	2019-20 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	11,362	$2,989,814,693	$263,142	$248,310

2019-20 Assessed Valuation	No. of Parcels[1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $24,999	55	0.484%	0.484%	$927,902	0.031%	0.031%
25,000 - 49,999	719	6.328	6.812	29,174,100	0.976	1.007
50,000 - 74,999	452	3.978	10.790	27,813,709	0.930	1.937
75,000 - 99,999	315	2.772	13.563	27,460,460	0.918	2.856
100,000 - 124,999	357	3.142	16.705	40,492,225	1.354	4.210
125,000 - 149,999	516	4.541	21.246	71,415,936	2.389	6.599
150,000 - 174,999	646	5.686	26.932	105,251,702	3.520	10.119
175,000 - 199,999	828	7.287	34.219	155,814,650	5.212	15.330
200,000 - 224,999	991	8.722	42.941	210,534,023	7.042	22.372
225,000 - 249,999	857	7.543	50.484	203,188,583	6.796	29.168
250,000 - 274,999	748	6.583	57.067	195,894,581	6.552	35.720
275,000 - 299,999	699	6.152	63.220	200,890,341	6.719	42.439
300,000 - 324,999	612	5.386	68.606	191,405,455	6.402	48.841
325,000 - 349,999	525	4.621	73.227	177,190,801	5.926	54.768
350,000 - 374,999	496	4.365	77.592	179,585,089	6.007	60.774
375,000 - 399,999	527	4.638	82.230	204,342,638	6.835	67.609
400,000 - 424,999	433	3.811	86.041	178,624,187	5.974	73.583
425,000 - 449,999	389	3.424	89.465	170,363,343	5.698	79.281
450,000 - 474,999	357	3.142	92.607	164,947,471	5.517	84.798
475,000 - 499,999	272	2.394	95.001	132,420,539	4.429	89.228
500,000 and greater	568	4.999	100.000	322,076,958	10.772	100.000
Total	11,362	100.000%		$2,989,814,693	100.000%	

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

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Tax Levies, Collections and Delinquencies

Secured *ad valorem* property tax collections within the District are not subject to the Teeter Plan (as defined herein), and therefore are subject to delinquencies. See "—Alternative Method of Tax Apportionment – 'Teeter Plan'" herein. The following table sets forth secured tax charges and delinquency rates within the District for the years 2010-11 through 2018-19:

SECURED TAX CHARGES AND DELINQUENCIES
Baldwin Park Unified School District
Fiscal Years 2010-11 to 2018-19

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent as of June 30	Percent Delinquent June 30
2010-11	$6,114,809.32	$146,523.87	2.40%
2011-12	6,147,770.84	128,065.50	2.08
2012-13	6,211,087.86	111,472.08	1.79
2013-14	6,426,693.50	94,628.80	1.47
2014-15	6,821,779.76	98,223.85	1.44
2015-16	7,169,170.48	101,649.03	1.42
2016-17	7,434,823.02	88,278.04	1.19
2017-18	7,901,206.49	98,138.21	1.24
2018-19	8,380,620.98	114,474.53	1.37

Fiscal Year	Secured Tax Charge[2]	Amount Delinquent as of June 30	Percent Delinquent June 30
2010-11	$6,006,988.05	$175,966.67	2.93%
2011-12	6,396,950.05	130,775.68	2.04
2012-13	6,002,192.14	78,738.23	1.31
2013-14	6,058,717.20	74,023.20	1.22
2014-15	6,618,500.40	78,809.04	1.19
2015-16	6,875,835.45	83,394.69	1.21
2016-17	4,615,426.59	39,184.19	0.85
2017-18	6,066,215.35	49,408.71	0.81
2018-19	6,138,302.07	69,506.39	1.13

(1) 1% general fund apportionment. Excludes redevelopment agency impounds. Reflects countywide delinquency rate.
(2) Debt service levy only.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - Teeter Plan

Certain counties in the State operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. **The County has not adopted the Teeter Plan, and consequently the Teeter Plan is not available to local taxing entities within the County, such as the District. The District's receipt of property taxes is therefore subject to delinquencies.**

The District participates in the California Statewide Delinquent Tax Finance Authority ("CSDTFA"). CSDTFA is a joint exercise of powers agency formed for the purpose of purchasing delinquent *ad valorem* property taxes of its members in accordance with Government Section 6516.6. The District anticipates that CSDTFA will from time to time purchase delinquent *ad valorem* property tax receivables from the District. For the most recent fiscal year for which CSDTFA purchased delinquencies (the 2017-18 fiscal year), such delinquencies were purchased from the District at a purchase price equal to 110% thereof. Any penalty charges collected with respect to such delinquencies will be retained by CSDTFA. CSDTFA does not currently purchase *ad valorem* tax receivables related to the payment of general obligation bonds of the District. Thus, the District's participation in CSDTFA's program does not ensure that the District will receive the timely payment of *ad valorem* property taxes levied to secure the Bonds. See also "—*Ad Valorem* Property Taxation" herein.

Tax Rates

The following table summarizes the total *ad valorem* property tax rates, as a percentage of assessed valuation, levied by all taxing entities in a typical tax rate area (a "TRA") within the District during the five-year fiscal year period from 2014-15 to 2019-20.

SUMMARY OF *AD VALOREM* PROPERTY TAX RATES (TRA 2088)
Baldwin Park Unified School District
Fiscal Years 2014-15 through 2019-20

	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
General	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%	1.000000%
Baldwin Park Unified School District	.165191	.162877	.105102	.130389	.124022	.130316
Mount San Antonio Community College District	.021294	.021537	.023996	.023709	.024354	.047814
Metropolitan Water District	.003500	.003500	.003500	.003500	.003500	.003500
Total	1.189985%	1.187914%	1.132598%	1.157598%	1.151876%	1.181630%

Source: California Municipal Statistics, Inc.

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Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2019-20 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2019-20
Baldwin Park Unified School District

	Property Owner	Primary Land Use	2019-20 Assessed Valuation	% of Total[(1)]
1.	Metropolitan Life Insurance Co.	Office Building	$65,065,869	1.22%
2.	Duke Realty 13131 LA Street LP	Industrial	62,500,000	1.17
3.	Vulcan Materials	Industrial	53,786,913	1.01
4.	Millercoors USA LLC	Industrial	35,030,574	0.66
5.	Calmat Properties Co.	Industrial	33,536,272	0.63
6.	Wal Mart Real Estate Business Trust	Shopping Center	30,898,439	0.58
7.	In-N-Out Burgers Inc.	Industrial	30,215,771	0.57
8.	Kaiser Foundation Health Plan	Medical Building	30,130,402	0.57
9.	Sierra Center Investments LLC	Shopping Center	28,284,627	0.53
10.	BKM Ramona 238 LLC	Industrial	25,900,000	0.49
11.	Home Depot USA Inc.	Shopping Center	19,709,222	0.37
12.	J and J Warehouse Company LLC	Shopping Center	18,960,361	0.36
13.	LBA RV Company XII LP	Industrial	17,870,740	0.34
14.	Otting Properties	Industrial	16,555,805	0.31
15.	M and A Gabaee	Commercial	16,469,992	0.31
16.	Eden Plaza San Diego LLC	Recreational	16,039,500	0.30
17.	Baldwin Ohana LP	Office Building	15,225,491	0.29
18.	Dayton Hudson Corp.	Shopping Center	14,964,413	0.28
19.	Gershman Baldwin LLC	Shopping Center	13,790,606	0.26
20.	Oft Family Corporation	Commercial	12,631,383	0.24
			$557,566,380	10.47%

(1) The District's fiscal year 2019-20 local secured assessed valuation is $5,322,959,511.
Source: California Municipal Statistics, Inc.

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Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., effective as of October 1, 2019, for debt issued as of September 27, 2019. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The table shows the percentage of each overlapping entity's assessed value located within the boundaries of the District. The table also shows the corresponding portion of the overlapping entity's existing debt payable from property taxes levied within the District. The total amount of debt for each overlapping entity is not given in the table.

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

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STATEMENT OF DIRECT AND OVERLAPPING DEBT
Baldwin Park Unified School District

2019-20 Assessed Valuation: $5,519,867,661

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 10/1/19**
Metropolitan Water District	0.178%	$85,529
Mt. San Antonio Community College District	5.711	40,848,069
Baldwin Park Unified School District	**100.000**	**104,742,675**[1] [2]
City of Industry	0.012	7,022
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$145,683,295
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Los Angeles County General Fund Obligations	0.342	8,113,896
Los Angeles County Superintendent of Schools Certificates of Participation	0.342	17,724
Baldwin Park Unified School District Lease Revenue Bonds	**100.000**	**28,470,000**
City of Baldwin Park General Fund Obligations	98.109	6,333,917
City of Baldwin Park Pension Obligation Bonds	98.109	53,062,253
City of Industry General Fund Obligations	0.012	110
City of Irwindale Certificates of Participation	17.283	183,200
City of West Covina General Fund Obligations	0.130	51,584
Los Angeles County Sanitation District No. 15 Authority	7.422	429,093
Los Angeles County Sanitation District No. 22 Authority	0.108	3,187
TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT		$96,664,964
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$18,480,710
COMBINED TOTAL DEBT		$260,828,969[3]

Ratios to 2019-20 Assessed Valuation:

Direct Debt ($104,742,675)..1.90%
Total Direct and Overlapping Tax and Assessment Debt 2.64%
Combined Direct Debt ($133,212,675)..................................2.41%
Combined Total Debt...4.73%

Ratio to Successor Agency Redevelopment Incremental Valuation ($1,392,985,377):

Total Overlapping Tax Increment Debt 1.33%

(1) Excludes accreted interest on capital appreciation bonds.
(2) Excludes the Bonds and includes the Refunded Bonds described herein.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal and Accreted Value of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax levied by the County for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein. Articles XIIIA, XIIIB, XIIIC and XIIID of the State Constitution, Propositions 98 and 111, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes on behalf of the District and of the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy* ad valorem *property taxes for payment of the principal and Accreted Value of and interest on the Bonds.*

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property 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 adjusted base year value described above. 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, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rate levied by the County to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

Article XIIIA requires a vote of two-thirds or more 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* property, 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. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

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 relevant 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.

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 State Supreme Court have upheld the general validity of Article XIIIA.

Proposition 50 and Proposition 171

On June 3, 1986, the voters of the State approved Proposition 50. Proposition 50 amends Section 2 of Article XIIIA of the State Constitution to allow owners of property that was "substantially damaged or destroyed" by a disaster, as declared by the Governor, (the "Damaged Property"), to transfer their existing base year value (the "Original Base Year Value") to a comparable replacement property <u>within the same county</u>, which is acquired or constructed within five years after the disaster. At the time of such transfer, the Damaged Property will be reassessed at its full cash value immediately prior to damage or destruction (the "Original Cash Value"); however, such property will retain its base year value notwithstanding such a transfer. Property is substantially damaged or destroyed if either the land or the improvements sustain physical damage amounting to more than 50 percent of either the land or improvements full cash value immediately prior to the disaster. There is no filing deadline, but the assessor can only correct four years of assessments when the owner fails to file a claim within four years of acquiring a replacement property.

Under Proposition 50, the base year value of the replacement property (the "Replacement Base Year Value") depends on the relation of the full cash value of the replacement property (the "Replacement Cash Value") to the Original Cash Value: if the Replacement Cash Value <u>exceeds 120 percent</u> of the Original Cash Value, then the Replacement Base Year Value is calculated by combining the Original Base Year Value with such excessive Replacement Cash Value; if the Replacement Cash Value does <u>not exceed 120 percent</u> of the Original Cash Value, then the Replacement Base Year Value equals the Original Base Year Value; if the Replacement Cash Value <u>is less than</u> the Original Cash Value, then the Replacement Base Year Value equals the Replacement Cash Value. The replacement property must be comparable in size, utility, and function to the Damaged Property.

On November 2, 1993, the voters of the State approved Proposition 171. Proposition 171 amends subdivision (e) of Section 2 of Article XIIIA of the State Constitution to allow owners of Damaged Property to transfer their Original Base Year Value to a "comparable replacement property" located <u>within another county</u> in the State, which is acquired or newly constructed within three years after the disaster.

Intra-county transfers under Proposition 171 are more restrictive than inter-county transfers under Proposition 50. For example, Proposition 171 (1) only applies to (a) structures that are owned and occupied by property owners as their principal place of residence and (b) land of a "reasonable size that is used as a site for a residence;" (2) explicitly does not apply to property owned by firms, partnerships, associations, corporations, companies, or legal entities of any kind; (3) only applies to replacement property located in a county that adopted an ordinance allowing Proposition 171 transfers; (4) claims must be timely filed within three years of the date of purchase or completion of new construction; and (5) only applies to comparable replacement property, which has a full cash value that is of "equal or lesser value" than the Original Cash Value.

Within the context of Proposition 171, "equal or lesser value" means that the amount of the Replacement Cash Value does not exceed either (1) 105 percent of the Original Cash Value when the replacement property is acquired or constructed within one year of the destruction, (2) 110 percent of the Original Cash Value when the replacement property is acquired or constructed within two years of the destruction, or (3) 115 percent of the Original Cash Value when the replacement property is acquired or constructed within three years of the destruction.

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 SBE as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed unitary and certain other property is allocated to counties by the 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. So long as the District is not a community funded 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 ("Article XIIIB") of the State Constitution, 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 and community college districts (collectively "K-14 school districts") to mean the percentage change in State 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 ADA 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 bonded debt service such as the Bonds, (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 State 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.

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 "– Propositions 98 and 111" below.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the State 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 State 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 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 State 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 1% *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA of the State 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.

Propositions 98 and 111

On November 8, 1988, voters of the State 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 were modified by Proposition 111, discussed below, the provisions of which became effective on July 1, 1990. The Accountability Act changed 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-14 school districts at a level equal to the greater of (a) the same percentage of State general fund revenues as the percentage appropriated to such districts in the 1986-87 fiscal year, and (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 State Legislature to suspend this formula for a one-year period.

The Accountability Act also changed how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount are, instead of being returned to taxpayers, transferred to K-14 school districts. Any such transfer to K-14 school districts is excluded from the appropriations limit for K-14 school districts and the K-14 school district appropriations limit for the next year is automatically increased by the amount of such transfer. These additional moneys 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 can 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 State 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.

On June 5, 1990, the voters of the State approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limitation Act of 1990" ("Proposition 111") which further modified Article XIIIB and Sections 8 and 8.5 of Article XVI of the State Constitution with respect to appropriations limitations and school funding priority and allocation.

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

a. Annual Adjustments to Spending Limit. 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 State 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 are 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 such districts' 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: (i) all appropriations for "qualified capital outlay projects" as defined by the State Legislature, and (ii) any increases in gasoline taxes above the 1990 level (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 State Legislature and the Governor, which was 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 ("Test 1") 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 ("Test 2"). Under Proposition 111, K-14 school districts will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in State per capita personal income. Under Test 3, K-14 school districts 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 Test 3 is used in any year, the difference between Test 3 and Test 2 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, State voters approved an amendment (commonly known as "Proposition 39") to the State Constitution. Proposition 39 is an initiated Constitutional amendment that (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 amendments 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 State 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 State Constitution previously limited property taxes to 1% of the value of property, such that property taxes could only exceed this limit to pay for (1) any local government debt approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 1A and Proposition 22

On November 2, 2004, State 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, was projected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies" herein.

Proposition 55

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends, through 2030, the increases to personal income tax rates for high-income taxpayers that were approved as part of Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"). Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,001 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 personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being 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 will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, 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 board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Jarvis v. Connell

On May 29, 2002, the State 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). 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 State Constitution or a federal mandate is necessary for the State 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 State Supreme Court upheld the holding of the Court of Appeal, stating that the State 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 State 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 2

On November 4, 2014, voters approved the Rainy Day Budget Stabilization Fund Act (also known as "Proposition 2"). Proposition 2 is a legislatively-referred constitutional amendment which makes certain changes to State budgeting practices, including substantially revising the conditions under which transfers are made to and from the State's Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

Under Proposition 2, and beginning in fiscal year 2015-16 and each fiscal year thereafter, the State will generally be required to annually transfer to the BSA an amount equal to 1.5% of estimated State general fund revenues (the "Annual BSA Transfer"). Supplemental transfers to the BSA (a "Supplemental BSA Transfer") are also required in any fiscal year in which the estimated State general fund revenues that are allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues. Such excess capital gains taxes—net of any portion thereof owed to K-14 school districts pursuant to Proposition 98—will be transferred to the BSA. Proposition 2 also increases the maximum size of the BSA to an amount equal to 10% of estimated State general fund revenues for any given fiscal year. In any fiscal year in which a required transfer to the BSA would result in an amount in excess of the 10% threshold, Proposition 2 requires such excess to be expended on State infrastructure, including deferred maintenance.

For the first 15-year period ending with the 2029-30 fiscal year, Proposition 2 provides that half of any required transfer to the BSA, either annual or supplemental, must be appropriated to reduce certain State liabilities, including making certain payments owed to K-14 school districts, repaying State interfund borrowing, reimbursing local governments for State mandated services, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. Following the initial 15-year period, the Governor and the State Legislature are given discretion to apply up to half of any required transfer to the BSA to the reduction of such State liabilities. Any amount not applied towards such reduction must be transferred to the BSA or applied to infrastructure, as described above.

Proposition 2 changes the conditions under which the Governor and the State Legislature may draw upon or reduce transfers to the BSA. The Governor does not retain unilateral discretion to suspend transfers to the BSA, nor does the State Legislature retain discretion to transfer funds from the BSA for any reason, as previously provided by law. Rather, the Governor must declare a "budget emergency," defined as an emergency within the meaning of Article XIIIB of the State Constitution or a determination that estimated resources are inadequate to fund State general fund expenditures, for the current or ensuing fiscal year, at a level equal to the highest level of State spending within the three immediately preceding fiscal years. Any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the BSA are limited to the amount necessary to address the budget emergency, and no draw in any fiscal year may exceed 50% of the funds on deposit in the BSA unless a budget emergency was declared in the preceding fiscal year.

Proposition 2 also requires the creation of the Public School System Stabilization Account (the "PSSSA") into which transfers will be made in any fiscal year in which a Supplemental BSA Transfer is required (as described above). Such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. A transfer to the PSSSA will only be made if certain additional conditions are met, as follows: (i) the minimum funding guarantee was not suspended in the immediately preceding fiscal year, (ii) the operative Proposition 98 formula for the fiscal year in which a PSSSA transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the fiscal year in which a PSSSA transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the fiscal year in which a PSSSA transfer might be made is higher than the immediately preceding fiscal year, as adjusted for ADA growth and cost of living. Proposition 2 caps the size of the PSSSA at 10% of the estimated minimum guarantee in any fiscal year, and any excess funds must be paid to K-14 school districts. Reductions to any required transfer to the PSSSA, or draws on the PSSSA, are subject to the same budget emergency requirements described above. However, Proposition 2 also mandates draws on the PSSSA in any fiscal year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living.

SB 858. Senate Bill 858 ("SB 858") became effective upon the passage of Proposition 2. SB 858 includes provisions which could limit the amount of reserves that may be maintained by a school district in certain circumstances. Under SB 858, in any fiscal year immediately following a fiscal year in which the State has made a transfer into the PSSSA, any adopted or revised budget by a school district would need to contain a combined unassigned and assigned ending fund balance that (a) for school districts with an ADA of less than 400,000, is not more than two times the amount of the reserve for economic uncertainties mandated by the State Education Code, or (b) for school districts with an A.D.A. that is more than 400,000, is not more than three times the amount of the reserve for economic uncertainties mandated by the State Education Code. In certain cases, the county superintendent of schools may grant a school district a waiver from this limitation on reserves for up to two consecutive years within a three-year period if there are certain extraordinary fiscal circumstances.

The District, which has an ADA of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses.

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

The Bonds are payable from *ad valorem* property taxes to be levied within the District pursuant to the State Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Bonds as and when the same shall come due.

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds 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 facilities ($500 million) and technical education facilities ($500 million). Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, school districts 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 or guarantees that it will either pursue or qualify for Proposition 51 State facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 22, 26, 30, 39, 98, 55 and 51 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.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District's general fund finances and State funding of public education 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 Accreted Value of and interest on the Bonds are payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

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

Revenue Limit Funding. Previously, school districts operated under general purpose revenue limits established by the State Department of Education. In general, revenue limits were calculated for each school district by multiplying the ADA for such district by a base revenue limit per unit of ADA. Revenue limit calculations were subject to adjustment in accordance with a number of factors designed to provide cost of living adjustments ("COLAs") and to equalize revenues among school districts of the same type. Funding of a school district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Since fiscal year 2013-14, school districts have been funded based on a uniform system of funding grants assigned to certain grade spans. See "—Local Control Funding Formula" herein.

The following table reflects the District's historical ADA and the revenue limit rates per unit of ADA for fiscal years 2008-09 through 2012-13.

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AVERAGE DAILY ATTENDANCE AND REVENUE LIMITS
Fiscal Years 2008-09 through 2012-13
Baldwin Park Unified School District

Fiscal Year	Average Daily Attendance[1]	Base Revenue Limit Per ADA	Deficit Revenue Limit Per ADA[2]
2008-09	15,728	$6,122.22	$5,641.99
2009-10	15,340	6,384.22	5,212.40
2010-11	14,980	6,367.54	5,223.74
2011-12	14,630	6,510.72	5,169.38
2012-13	14,256	6,723.01	5,225.66

(1) Reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is each four-week period of instruction beginning with the first day of school for any school district.
(2) Deficit revenue limit funding, if provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for a given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit limit funding was most recently reinstated beginning in fiscal year 2007-08 and eliminated with the implementation of the LCFF (defined herein).
Source: Baldwin Park Unified School District.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), as amended by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91"), established the current system for funding school districts, charter schools and county offices of education.

The primary component of AB 97 was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of categorical program funding. State allocations are now provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. During the implementation period of the LCFF, an annual transition adjustment was calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. During the implementation period of the LCFF, Base Grants were required to be adjusted annually for COLAs by applying the implicit price deflator for government goods and services. The provision of COLAs is now subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See also "—State Budget" for information on the adjusted Base Grants provided by current budgetary legislation.

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 otherwise 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. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. AB 97 also provides additional add-ons 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). AB 97 authorizes a supplemental grant add-on (each, a "Supplemental Grant") for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such districts' percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2012-13 through 2018-19, and budgeted amounts for fiscal year 2019-20.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2012-13 through 2019-20
Baldwin Park Unified School District

	Average Daily Attendance[(1)]					Enrollment[(2)]	
Fiscal Year	**K-3**	**4-6**	**7-8**	**9-12**	**Total ADA**	**Total Enrollment**	**% of EL/LI Enrollment**
2012-13	4,443	3,256	2,228	4,329	14,256	14,796	87%
2013-14	4,371	3,192	2,180	4,300	14,043	14,488	90
2014-15	4,297	3,209	2,146	4,174	13,826	14,339	90
2015-16	4,014	3,258	2,111	4,185	13,568	14,057	89
2016-17	3,931	3,062	2,056	4,102	13,151	13,646	89
2017-18	3,677	2,897	1,957	3,972	12,503	12,992	89
2018-19	3,477	2,710	1,992	3,861	12,040	12,528	88
2019-20	3,343	2,605	1,915	3,712	11,576	12,079[(3)]	89

(1) Except for fiscal year 2019-20, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district. Excludes County-operated programs.

(2) Fiscal year 2012-13 enrollment as of October report submitted to the California Basic Educational Data System ("CBEDS"). Fiscal years 2013-14 through 2018-19 reflect certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Fiscal Year 2015-16 enrollment reflects preliminary CALPADS enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. CALPADS figures exclude preschool and adult transitional students. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years. Enrollment excludes County-operated programs.

(3) Budgeted.

Source: Baldwin Park Unified School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the implementation period of the LCFF. The District does not qualify for the ERT add-on.

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, referred to as "basic aid" (or "community funded"), 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. Community funded 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 community funded 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 community funded district.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts 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 were required to be adopted beginning in fiscal year 2014-15, and updated annually thereafter. The State Board of Education has adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, established 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.

Other State Sources. In addition to State allocations determined pursuant to the LCFF, the District receives other State revenues consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into the LCFF. Categorical funding for certain programs was excluded from the LCFF, and school districts will continue to receive restricted State revenues to fund these programs.

Other Revenue Sources

Federal and Local Sources. The federal government provides funding for several school district programs, including special education programs, programs under the Every Student Succeeds Act, and specialized programs such as Drug Free Schools, Innovative Strategies, and Vocational & Applied Technology. In addition, school districts receive additional local revenues beyond local property tax collections, such as leases and rentals, interest earnings, interagency services, foundation contributions, parcel taxes, developer fees (as discussed below), pass-through revenues and other local sources.

Developer Fees. The District maintains a fund, separate from the general fund, for the deposit of developer fee collections levied on commercial and residential development within the District. The following table shows developer fee collections within the District for the eight year period between 2011-12 and 2018-19 and a budgeted amount for 2019-20.

DEVELOPER FEES COLLECTIONS
Baldwin Park Unified School District
Fiscal Years 2011-12 through 2019-20

Fiscal Year	Developer Fees Collected
2011-12	$223,573.87
2012-13	36,906.74
2013-14	121,183.50
2014-15	535,318.50
2015-16	97,891.23
2016-17	626,150.40
2017-18	621,214.86
2018-19	445,308.00
2019-20[1]	250,000.00

[1] Budgeted.
Source: Baldwin Park Unified School District.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the State 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 the State ceased to exist as a matter of law on February 1, 2012.

ABX1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), 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 under the California Community Redevelopment Law 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 a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, equal to at least $250,000 in any year, unless the oversight board reduces such amount for any fiscal year or a lesser amount is agreed to by the Successor Agency; then, fourth is tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the Controller and the Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the Controller. If the Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

As noted above, the Dissolution Act expressly provides for continuation of pass-through payments to local taxing entities. Per statute, 100% of contractual and statutory two percent pass-throughs, and 56.7% of statutory pass-throughs authorized under the Community Redevelopment Law Reform Act of 1993 (AB 1290, Chapter 942, Statutes of 1993) ("AB 1290"), are restricted to educational facilities without offset against apportionments by the State. Only 43.3% of AB 1290 pass-throughs are offset against State aid so long as the affected local taxing entity uses the moneys received for land acquisition, facility construction, reconstruction, or remodeling, or deferred maintenance as provided under Education Code Section 42238(h).

ABX1 26 states that in the future, pass-throughs shall be made in the amount "which would have been received . . . had the redevelopment agency existed at that time," and that the county auditor-controller shall "determine the amount of property taxes that would have been allocated to each redevelopment agency had the redevelopment agency not been dissolved pursuant to the operation of [ABX1 26] using current assessed values . . . and pursuant to statutory [pass-through] formulas and contractual agreements with other taxing agencies."

Successor Agencies continue to operate until all enforceable obligations have been satisfied and all remaining assets of the Successor Agency have been disposed of. AB 1484 provides that once the debt of the Successor Agency is paid off and remaining assets have been disposed of, the Successor Agency shall terminate its existence and all pass-through payment obligations shall cease.

The District can make no representations as to the extent to which any apportionments from the State may be offset by the future receipt of residual distributions or from unencumbered cash and assets of former redevelopment agencies or any other surplus property tax revenues pursuant to the Dissolution Act.

Budget Process

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. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

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. 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, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 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 September 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 September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

A school district whose budget has been disapproved must revise and readopt its budget by October 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must 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. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

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 two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the 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.

Within the past 10 years, the District has never had an adopted budget disapproved by the county superintendent of schools and has never received a "qualified" or "negative" certification of an Interim Financial Report pursuant to A.B. 1200.

General Fund Budgeting. The table on the following page summarizes the District's general fund adopted budgets for fiscal years 2015-16 through 2019-20, audited ending results for fiscal years 2015-16 through 2017-18, and unaudited ending results for fiscal year 2018-19.

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GENERAL FUND BUDGETS AND ACTUAL RESULTS
Baldwin Park Unified School District
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16		Fiscal Year 2016-17		Fiscal Year 2017-18		Fiscal Year 2018-19		Fiscal Year 2019-20
	Budgeted(1)	Audited(1)	Budgeted(1)	Audited(1)	Budgeted(1)	Audited(1)	Budgeted(2)	Unaudited(3)	Budgeted(3)
REVENUES:									
LCFF Sources	$128,863,531	$134,587,836	$140,300,155	$140,582,777	$139,604,904	$140,811,758	$141,640,769	$140,345,081	$141,843,851
Federal Revenue	10,648,616	11,262,536	10,810,827	10,930,570	8,486,010	10,652,447	9,169,764	10,610,291	9,391,377
Other State Revenue	5,780,280	19,760,510	6,085,923	16,073,319	6,055,100	13,860,122	6,203,462	14,584,202	7,090,341
Other Local Revenue	10,534,000	10,753,791	9,643,743	10,411,293	8,833,127	11,605,335	9,177,903	13,050,301	9,748,453
TOTAL REVENUES(4)	155,826,427	176,364,673	166,840,648	177,997,959	162,979,141	176,929,662	166,191,898	178,589,875	168,074,022
EXPENDITURES:									
Certificated Salaries	71,828,019	74,934,295	78,300,515	76,524,185	77,984,239	77,780,191	74,780,956	75,045,778	76,534,835
Classified Salaries	22,655,758	23,471,124	25,605,693	25,216,955	26,661,116	25,718,421	26,681,766	26,391,826	27,973,506
Employee Benefits	28,507,978	32,479,682	32,057,919	36,747,629	34,929,233	38,853,796	38,025,195	43,585,870	41,240,220
Books & Supplies	6,478,165	9,408,133	9,129,455	10,458,309	8,795,164	6,244,395	10,998,768	6,833,104	9,832,278
Services & Other Operating Expenditures	14,985,911	16,471,099	15,913,943	14,479,418	15,569,418	14,859,387	15,453,420	16,359,463	15,739,335
Other Outgo(4)	8,420,834	1,353,732	6,454,742	6,061,417	7,229,467	5,247,285	7,028,710	6,600,476	6,455,608
Capital outlay	2,765,000	1,625,898	940,000	1,436,501	493,000	525,601	283,700	1,894,617	72,200
Debt Service	--	274,493	--	154,842	--	127,492	--	--	--
TOTAL EXPENDITURES(4)	155,641,665	160,018,456	168,402,267	171,079,256	171,661,637	169,356,568	173,252,515	176,711,133	177,847,982
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	184,762	16,346,217	(1,561,619)	6,918,703	(8,682,496)	7,573,094	(7,060,617)	1,878,742	(9,773,960)
OTHER FINANCING SOURCES (USES)									
Operating Transfers In	--	--	--	--	--	--	--	--	--
Other Sources	--	--	--	673,495	--	--	--	--	--
Operating Transfers Out	(305,789)	(3,872,989)	(1,300,000)	(5,630,171)	(1,250,000)	(4,041,561)	(872,000)	(210,000)	(373,887)
TOTAL OTHER FINANCING SOURCES (USES)	(305,789)	(3,872,989)	(1,300,000)	(4,956,676)	(1,250,000)	(4,041,561)	(872,000)	(210,000)	(373,887)
EXCESS (DEFICIENCY) OF REVENUES & OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES & OTHER USES	(121,027)	12,473,228	(2,861,619)	1,962,027	(9,932,496)	3,531,533	(7,932,617)	1,668,742	(10,147,847)
FUND BALANCE, JULY 1	22,861,963	22,861,963	35,335,191	35,335,191	37,297,218	37,297,218	40,828,751	40,828,751	42,608,792
Other Restatements	--	--	--	--	--	--	--	111,299(5)	--
FUND BALANCE, JUNE 30	$22,740,936	$35,335,191	$32,473,572	$37,297,218	$27,364,722	$40,828,751	$32,896,134	$42,608,792	$32,460,945

(1) From the District's Comprehensive Audited Financial Statements for fiscal years 2014-15 through 2017-18, respectively.
(2) From the District's Second Interim Financial Report approved by the Board on March 11, 2019.
(3) From the District's Unaudited Actuals approved by the Board on September 10, 2019.
(4) For fiscal years 2014-15 through 2017-18, on behalf payments of $3,856,354. $4,885,086, $6,371,390, and $5,988,615 are included in actual revenues and expenditures, but have not been included in the budgeted amounts.
(5) Represents a portion of Education Revenue Augmentation Fund (ERAF) funds reallocated by the Los Angeles County Office of Education to LCFF funded K-12 school districts in Los Angeles County.

Source: Baldwin Park Unified School 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 Education Code Section 41010, is to be followed by all State 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.

Comparative Financial Statements

Audited financial statements for the District for the fiscal year ended June 30, 2018 and prior fiscal years are on file with the District and available for public inspection at the Baldwin Park Unified School District, 3699 N. Holly Avenue, Baldwin Park, California 91706, telephone: (626) 962-3311.

The table on the following page reflects the District's audited general fund revenues, expenditures and changes in fund balance for fiscal years 2013-14 through 2017-18.

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AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES[1][2]
GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
Fiscal Years 2013-14 through 2017-18
Baldwin Park Unified School District

REVENUES:	**Fiscal Year 2013-14**	**Fiscal Year 2014-15**	**Fiscal Year 2015-16**	**Fiscal Year 2016-17**	**Fiscal Year 2017-18**
LCFF Revenue	$103,198,008	$113,505,669	$134,587,836	$140,582,777	$140,811,758
Federal Revenue	10,073,179	9,989,784	11,262,536	10,930,570	10,652,447
Other State Revenue	16,842,352	14,541,586	19,760,510	16,073,319	13,860,122
Other Local Revenue	11,134,888	11,747,230	10,753,791	10,411,293	11,605,335
Total Revenues	141,248,427	149,784,269	176,364,673	177,997,959	176,929,662
EXPENDITURES:					
Current					
Instruction	81,150,378	90,639,494	101,833,216	107,219,511	105,283,952
Instruction Related Activities:					
Supervision of Instruction	6,525,672	7,745,234	9,632,633	10,591,892	10,607,816
Instructional Library, Media, Technology	1,470,209	1,558,581	1,845,099	2,090,979	2,148,754
School Site Administration	7,919,822	8,508,898	9,250,445	9,707,053	11,092,445
Pupil Services:					
Home-to-School Transportation	1,466,411	1,609,240	2,134,090	2,622,154	2,302,086
Food Services	--	1,293	--	--	--
All Other Pupil Services	4,471,660	5,854,127	6,475,174	7,605,834	8,017,666
General Administration:					
Data Processing	1,040,877	1,243,829	1,464,623	2,935,963	2,181,112
All Other General Administration	4,122,666	3,474,175	4,419,233	5,076,490	4,942,413
Plant Services	13,172,685	13,864,100	16,551,844	16,763,536	16,884,465
Facility Acquisition & Construction	45,071	22,007	1,037,929	549,806	62,140
Other (Outgo)	11,648,918	5,466,951	5,099,677	5,761,196	5,706,227
Debt Service:					
Principal	590,173	254,705	11,836	154,162	127,492
Interest & Other	811,373	--	262,657	680	--
Total Expenditures	134,435,915	140,242,634	160,018,456	171,079,256	169,356,568
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	6,812,512	9,541,635	16,346,217	6,918,703	7,573,094
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	--	--	--	--	--
Other Sources	48,278	--	--	673,495	--
Operating Transfers Out	(2,423,528)	(2,787,935)	(3,872,989)	(5,630,171)	(4,041,561)
Total Other Sources & Uses	(2,375,250)	(2,787,935)	(3,872,989)	(4,956,676)	(4,041,561)
TOTAL CHANGE IN FUND BALANCE	4,437,262	6,753,700	12,473,228	1,962,027	3,531,533
FUND BALANCE – JULY 1	11,671,001	16,108,263	22,861,963	35,335,191	37,297,218
FUND BALANCE – JULY 30	$16,108,263	$22,861,963	$35,335,191	$37,297,218	$40,828,751

Source: Baldwin Park Unified School District.

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 guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal or Maturity Value of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the County in an amount sufficient for the payment thereof.*

2019-20 Budget. On June 27, 2019, the Governor signed into law the State budget for fiscal year 2019-20 (the "2019-20 Budget"). The following information is drawn from the State Department of Finance's summary of the 2019-20 Budget.

For fiscal year 2018-19, the 2019-20 Budget projects total general fund revenues and transfers of $138 billion and total expenditures of $142.7 billion. The State is projected to end the 2018-19 fiscal year with total available general fund reserves of $20.7 billion, including $5.4 billion in the traditional general fund reserve, $14.4 billion in the BSA and $900 million in the Safety Net Reserve Fund for the CalWORKs and Medi-Cal programs. For fiscal year 2019-20, the 2019-20 Budget projects total general fund revenues and transfers of $143.8 billion and authorizes expenditures of $147.8 billion. The State is projected to end the 2019-20 fiscal year with total available general fund reserves of $18.8 billion, including $1.4 billion in the traditional general fund reserve, $16.5 billion in the BSA and $900 million in the Safety Net Reserve Fund. The 2019-20 Budget also authorizes a deposit to the PSSSA of $376.5 million in order to comply with Proposition 2. The amount is below the threshold required to trigger certain maximum local reserve levels for school districts created by State legislation approved in 2014 (and amended in 2017). See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2 – SB 858; SB 751."

For fiscal year 2019-20, the 2019-20 Budget sets the minimum funding guarantee at $81.1 billion. With respect to K-12 education, ongoing per-pupil spending is set at $11,993. Other significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – An increase of $1.9 billion in Proposition 98 funding for the LCFF, reflecting a 3.26% COLA. For fiscal year 2019-20, the adjusted Base Grants are as follows: (i) $8,503 for grades K-3, (ii) $7,818 for grades 4-6, (iii) $8,050 for grades 7-8, and (iv) $9,572 for grades 9-12. See also "– Local Control Funding Formula" herein.

- *Settle-Up Payment* – An increase of $686.6 million for K-14 school districts to pay the balance of past-year Proposition 98 funding owed through fiscal year 2017-18.

- *Special Education* – $645.3 million in ongoing Proposition 98 funding for special education. Specifically, the 2019-20 Budget allocates (i) $152.6 million to provide all special education local area plans at least the Statewide target rate for base special education funding, and (ii) $492.7 million in special education funding, to be allocated to school districts based on the number of children between three to five years of age and with exceptional needs that are being served.

- *Pension Costs* – A $3.15 billion payment from non-Proposition 98 funds to STRS and PERS, to reduce long-term liabilities for K-14 school districts. Of this amount, $850 million would be provided to buy down employer contribution rates in fiscal years 2019-20 and 2020-21.

With these payments, STRS employer contributions will be reduced from 18.13% to 17.1% in fiscal year 2019-20, and from 19.1% to 18.4% in fiscal year 2020-21. The PERS employer contribution will be reduced from 20.7% to 19.7% in fiscal year 2019-20, and the projected PERS employer contribution is expected to be reduced from 23.6% to 22.9 % in fiscal year 2020-21. The remaining $2.3 billion would be paid towards employers' long-term unfunded liability. See also "BALDWIN PARK UNIFIED SCHOOL DISTRICT – District Retirement Systems" herein.

- *After School Programs* - $50 million in ongoing Proposition 98 funding to provide an increase of approximately 8.3% to the per-pupil daily rate for after school education and safety programs.

- *Teacher Support* - $43.8 million in one-time non-Proposition 98 funding to provide training and resources for classroom educators and paraprofessionals, to build capacity in key State priorities. The 2019-20 Budget also includes $89.8 million in one-time, non-Proposition 98 funding to provide up to 4,487 grants for students enrolled in professional teacher preparation programs who commit to working in a high-need field at a priority school for at least four years.

- *Broadband Infrastructure* - $7.5 million in one-time, non-Proposition 98 funding for broadband infrastructure improvements at local educational agencies.

- *Full-Day Kindergarten* - $300 million in one-time, non-Proposition 98 funding to finance construction or retrofit of facilities to support full-day kindergarten programs.

- *Wildfire-Related Cost Adjustments* – An increase of $2 million in one-time Proposition 98 funding to reflect adjustments in the estimate for property tax backfill for basic aid school districts impacted by wildfires which occurred in 2017 and 2018. The 2019-20 Budget also holds both school districts and charter schools impacted by wildfires in 2018 harmless in terms of State funding for two years.

- *Proposition 51* – a total allocation of $1.5 billion in Proposition 51 bond funds for K-12 school facility projects.

For additional information regarding the 2019-20 Budget, see the State Department of Finance website at www.dof.ca.gov. However, the information presented on such website is not incorporated herein by reference.

Future Actions. The District cannot predict what actions will be taken in the future by the State legislature and the Governor to address changing State revenues and expenditures. The District also cannot predict the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions or results could produce a significant shortfall of revenue and cash, and could consequently impair the State's ability to fund schools. State budget shortfalls in future fiscal years may also have an adverse financial impact on the financial condition of the District. However, the obligation to levy ad valorem property taxes upon all taxable property within the District for the payment of principal and Accreted Value of and interest on the Bonds would not be impaired.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

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 Accreted Value of and interest on the Bonds are payable from the general fund of the District. The principal and Accreted Value of and interest on the Bonds are payable solely from the proceeds of an ad valorem *property tax levied annually by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The Baldwin Park Unified School District covers approximately seven square miles in the eastern part of Los Angeles County, and serves the City of Baldwin Park, portions of the Cities of Irwindale, Industry and West Covina, and unincorporated areas of the County. The District currently maintains 13 elementary schools, four middle schools, two high schools, plus a continuation high school, an adult education program, alternative education school and an early childhood education program. For fiscal year 2019-20, the District's budgeted ADA is 11,576 students, and taxable property within the District has an assessed valuation of $5,519,867,661.

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 reports of the District may be obtained by contacting: Baldwin Park Unified School District, 3699 N. Holly Avenue, Baldwin Park, California 91706, Attention: Deputy Superintendent, Business and Operations.

Administration

The District is governed by a five-member Board, each member of which is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below:

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BOARD OF EDUCATION
Baldwin Park Unified School District

Name	Office	Term Expires
Christina Lucero	President	December 2020
Betsabel Lara	Vice President	December 2022
Santos Hernandez, Jr.	Member	December 2020
Deanna C. Robles	Member	December 2022
Robert G. Varela	Member	December 2020

The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. Froilan N. Mendoza, Ed.D. is currently the Superintendent of the District. Brief biographies of the Superintendent and Deputy Superintendent of Business and Operations follow:

Froilan N. Mendoza, Ed.D. Superintendent. Dr. Mendoza has served as Superintendent of the District since 2016. Dr. Mendoza has over 18 years of experience with the District, previously serving in the capacities of Interim Superintendent, Associate Superintendent, Senior Director of Student Achievement, Director of Extended Educational Programs, and Coordinator of Early Childhood Education. Dr. Mendoza has previously also served the Los Angeles County Office of Education in various capacities. Dr. Mendoza began his career in education as a substitute teacher for the Jurupa Unified School District. He received his Doctorate in educational leadership from the University of Southern California, Master of Arts degree in educational administration from the California State University, Los Angeles, a Master of Science degree in counseling and guidance from the California State University, San Bernardino, and a Bachelor of Science degree in psychology from the University of California, Davis. In addition, he holds various credentials through Association of California School Administrators.

Lydia Cano, Deputy Superintendent of Business and Operations. Mrs. Cano has served as Deputy Superintendent since 2016. She has over 27 years of experience in school business, holding a variety of positions, including Senior Bookkeeper, Director of Fiscal Services, Assistant Superintendent and Deputy Superintendent. Mrs. Cano started her career at El Rancho Unified School District and has also worked at Little Lake City School District and was at Palos Verdes Peninsula Unified School District as a Deputy Superintendent for 5 years before joining the District. She has a Bachelor of Science in Applied Business Management and has completed the Chief Business Official certification program through the California Association of School Business Officials.

Enrollment Trends

On average throughout the District, the regular education pupil-teacher ratio is approximately 24:1 for grades TK-3, 30:1 in grades 4-5, 30:1 in grades 6-8 and 30:1 in grades 9-12. District enrollment decreased by 23.15% between 2008-09 and 2018-19. The following table shows an 11-year enrollment history for the District and a budgeted amount for the current fiscal year.

HISTORICAL ENROLLMENT
Baldwin Park Unified School District
Fiscal Years 2008-09 through 2019-20

Fiscal Year	Enrollment[1]	% Change
2008-09	16,302	--
2009-10[2]	15,996	(1.88)%
2010-11[2]	15,566	(2.69)
2011-12	15,178	(2.49)
2012-13	14,796	(2.52)
2013-14	14,488	(2.08)
2014-15	14,339	(1.03)
2015-16	14,057	(1.97)
2016-17	13,646	(2.92)
2017-18	12,992	(4.79)
2018-19	12,528	(3.57)
2019-20[3]	12,079	(3.58)

(1) Fiscal years 2008-09 through 2012-13 enrollment as of October report submitted to the California Basic Educational Data System ("CBEDS"). Fiscal years 2013-14 through 2018-19 reflect certified enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Enrollment excludes County-operated programs.
(2) New State and District reporting systems implemented in 2009-10 and 2010-11 resulted in variances from reported CBED figures to the Department of Education.
(3) Budgeted.
Source: Baldwin Park Unified School District.

Charter School

The California Legislature enacted the Charter Schools Act of 1992 (California Education Code Sections 47600-47616.5) to permit teachers, parents, students, and community members to establish schools that would be free from most state and district regulations. Revised in 1998, California's charter school law states that local boards are the primary charter approving agency and that county panels can appeal a denied charter. State education standards apply, and charter schools are required to use the same student assessment instruments. The charter school is exempt from state and local education rules and regulations, except as specified in the legislation.

The District has certain fiscal oversight and other responsibilities with respect to both independent and affiliated charter schools established within its boundaries. However, independent charter schools receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. Affiliated charter schools receive their funding from the District, and would be reflected in the District's audited financial statements.

There is one independent charter school currently operating within the District (the "Charter School"). The following table shows enrollment figures for the Charter School for the past six fiscal years and a projected amount for fiscal year 2019-20.

CHARTER SCHOOL ENROLLMENT
FISCAL YEARS 2013-14 THROUGH 2019-20
Baldwin Park Unified School District

Fiscal Year	Charter Schools Enrollment[1]
2013-14	4,280
2014-15	3,977
2015-16	4,350
2016-17	4,086
2017-18	3,704
2018-19	4,738
2019-20[2]	4,738

(1) There are 69 students that reside in the District's attendance boundaries who attend one of the campuses run by the charter school. The remainder of the students are from outside the District's borders and attend school in multiple locations.
(2) Projected.
Source: Baldwin Park Unified School District.

Labor Relations

The District currently employs 695 full-time certificated employees and 272 full-time classified employees. In addition, the District employs 369 part-time faculty and staff. District employees, except management and some part-time employees, are represented by the four bargaining units as noted below:

BARGAINING UNITS
Baldwin Park Unified School District

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
Baldwin Park Education Association	695	June 30, 2020
California School Employees Association	641	June 30, 2020
Adult Education Teachers Association	46	June 30, 2020
School Police Officers Association	7	June 30, 2020

Source: Baldwin Park Unified School District.

District Retirement Systems

The information set forth below regarding the STRS and PERS 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 by either the District, the Municipal Advisor or the Underwriter.

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 benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit

Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, none of the employee, employer nor State contribution rates to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State passed the legislation described below to increase contribution rates.

Prior to July 1, 2014, K-14 school districts were required by such statutes to contribute 8.25% of eligible salary expenditures, while participants contributed 8% of their respective salaries. On June 24, 2014, the Governor signed AB 1469 ("AB 1469") into law as a part of the State's fiscal year 2014-15 budget. AB 1469 seeks to fully fund the unfunded actuarial obligation with respect to service credited to members of the STRS Defined Benefit Program before July 1, 2014 (the "2014 Liability"), within 32 years, by increasing member, K-14 school district and State contributions to STRS. Commencing July 1, 2014, the employee contribution rate increased over a three-year phase-in period in accordance with the following schedule:

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

Effective Date	STRS Members Hired Prior to January 1, 2013	STRS Members Hired After January 1, 2013
July 1, 2014	8.150%	8.150%
July 1, 2015	9.200	8.560
July 1, 2016	10.250	9.205

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. The contribution rate for employees hired after the Implementation Date (defined below) increased from 9.205% of creditable compensation for fiscal year commencing July 1, 2017 to 10.205% of creditable compensation effective July 1, 2018. For fiscal year commencing July 1, 2019, the contribution rate for employees hired after the Implementation Date (defined below) is 10.205%.

Pursuant to AB 1469, K-14 school districts' contribution rate will increase over a seven-year phase-in period in accordance with the following schedule:

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

Effective Date	K-14 school districts
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.43
July 1, 2018	16.28
July 1, 2019	18.13
July 1, 2020	19.10

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1% of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

On June 27, 2019, the Governor signed SB 90 ("SB 90") into law as a part of the 2019-20 Budget. Pursuant to SB 90, the State Legislature appropriated $2.246 billion to be transferred to the Teacher's Retirement Fund for the STRS Defined Benefit Program to pay in advance, on behalf of employers, part of the contributions required for fiscal years 2019-20 and 2020-21, resulting in K-14 school districts having to contribute 1.03% less in fiscal year 2019-20 and 0.70% less in fiscal year 2020-21. The remainder of the payment not committed for the reduction in employer contribution rates described above, is required to be allocated to reduce the employer's share of the unfunded actuarial obligation determined by the STRS Board upon recommendation from its actuary. See also "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contribution to STRS was $5,314,241 in fiscal year 2012-13, $5,459,413 in fiscal year 2013-14, $6,339,658 in fiscal year 2014-15, $7,983,788 in fiscal year 2015-16, $9,809,348 in fiscal year 2016-17, and $12,227,295 in fiscal year 2017-18, and $12,900,191 (unaudited) in fiscal year 2018-19. The District has budgeted a contribution of $13,383,215 for fiscal year 2019-20.

The State also contributes to STRS, currently in an amount equal to 7.828% for fiscal year 2019-20. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

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 from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2017 included 1,624 public agencies and 1,366 K-14 school districts and charter schools. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 18.062% of eligible salary expenditures for fiscal year 2018-19, and will be 20.733% of eligible salary expenditures in fiscal year 2019-20. Participants enrolled in PERS prior to January 1, 2013 contribute at a rate established by statute, which is 7% of their respective salaries in fiscal year 2019-20, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 7% in fiscal year 2019-20. See "—California Public Employees' Pension Reform Act of 2013" herein.

Pursuant to SB 90, the State Legislature appropriated $144 million for fiscal year 2019-20 and $100 million for fiscal year 2020-21 to be transferred to the Public Employees' Retirement Fund, to pay in advance, on behalf of K-14 school district employers, part of the contributions required for K-14 school district employers for such fiscal years. In addition, the State Legislature appropriated $660 million to be applied toward certain unfunded liabilities for K-14 school district employers. See also "DISTRICT FINANCIAL INFORMATION – State Budget Measures" herein.

The District's contributions to PERS was $3,188,885 in fiscal year 2012-13, $3,296,119 in fiscal year 2013-14, $3,701,397 in fiscal year 2014-15, $4,144,044 in fiscal year 2015-16, $5,272,185 in fiscal year 2016-17, $6,063,193 in fiscal year 2017-18, and $7,170,147 (unaudited) in fiscal year 2018-19. The District has budgeted a contribution of $8,653,669 for fiscal year 2019-20.

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 both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS (Schools Pool)
(Dollar Amounts in Millions) (1)
Fiscal Years 2010-11 through 2017-18

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718
2014-15	241,753	180,633	72,626	165,553	76,200
2015-16	266,704	177,914	101,586	169,976	96,728
2016-17	286,950	197,718	103,468	179,689	107,261
2017-18	297,603	211,367	101,992	190,451	107,152

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)	Unfunded Liability (MVA)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16	77,544	55,785	21,759	--(4)	--(4)
2016-17	84,416	60,865	23,551	--(4)	--(4)
2017-18(5)	92,071	64,846	27,225	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) On April 16, 2019, the PERS Board (defined below) approved the K-14 school district contribution rate for fiscal year 2019-20 and released certain actuarial information to be incorporated into the June 30, 2018 actuarial valuation to be released in summer 2019.

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. Based on the multi-year CalSTRS Experience Analysis (spanning from July 1, 2010, through June 30, 2015), on February 1, 2017, the STRS Board adopted a new set of actuarial assumptions that reflect member's increasing life expectancies and current economic trends. These new assumptions were first reflected in the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016 (the "2016 STRS Actuarial Valuation"). The new actuarial assumptions include, but are not limited to: (i) adopting a generational mortality methodology to reflect past improvements in life expectancies and provide a more dynamic assessment of future life spans, (ii) decreasing the investment rate of return (net of investment and administrative expenses) to 7.25% for the 2016 STRS Actuarial Valuation and 7.00% for the June 30, 2017 actuarial evaluation (the "2017 STRS Actuarial Valuation"), and (iii) decreasing the projected wage growth to 3.50% and the projected inflation rate to 2.75%. The 2017 STRS Actuarial Valuation continues using the Entry Age Normal Actuarial Cost Method.

Based on salary increases less than assumed and actuarial asset gains recognized from the current and prior years, the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2018 (the "2018 STRS Actuarial Valuation") reports that the unfunded actuarial obligation decreased by $109 million since the 2017 STRS Actuarial Valuation and the funded ratio increased by 1.4% to 64.0% over such time period.

According to the 2018 STRS Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be approximately sufficient to finance its obligations with a projected ending funded ratio in fiscal year ending June 30, 2046 of 99.9%, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

In recent years, the PERS Board of Administration (the "PERS Board") has taken several steps, as described below, intended to reduce the amount of the unfunded accrued actuarial liability of its plans, including the Schools Pool.

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over a three year phase-in period in accordance with the following schedule: 7.375% for the June 30, 2017 actuarial valuation, 7.25% for the June 30, 2018 actuarial valuation and 7.00% for the June 30, 2019 actuarial valuation. The new discount rate went into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise.

On April 17, 2013, the PERS Board approved new actuarial policies aimed at returning PERS to fully-funded status within 30 years. The policies include a rate smoothing method with a 30-year fixed amortization period for gains and losses, a five-year increase of public agency contribution rates, including the contribution rate at the onset of such amortization period, and a five year reduction of public agency contribution rates at the end of such amortization period. The new actuarial policies were first included in the June 30, 2014 actuarial valuation and were implemented with respect the State, K-14 school districts and all other public agencies in fiscal year 2015-16.

Also, on February 20, 2014, the PERS Board approved new demographic assumptions reflecting (i) expected longer life spans of public agency employees and related increases in costs for the PERS system and (ii) trends of higher rates of retirement for certain public agency employee classes, including police officers and firefighters. The new actuarial assumptions were first reflected in the Schools Pool in the June 30, 2015 actuarial valuation. The increase in liability due to the new assumptions will be amortized over 20 years with increases phased in over five years, beginning with the contribution requirement for fiscal year 2016-17. The new demographic assumptions affect the State, K-14 school districts and all other public agencies.

The PERS Board is required to undertake an experience study every four years under its Actuarial Assumptions Policy and State law. As a result of the most recent experience study, on December 20, 2017, the PERS Board approved new actuarial assumptions, including (i) lowering the inflation rate to 2.625% for the June 30, 2018 actuarial valuation and to 2.50% for the June 30, 2019 actuarial valuation, (ii) lowering the payroll growth rate to 2.875% for the June 30, 2018 actuarial valuation and 2.75% for the June 30, 2019 actuarial valuation, and (iii) certain changes to demographic assumptions relating to the salary scale for most constituent groups, and modifications to the morality, retirement, and disability retirement rates.

On February 14, 2018, the PERS Board approved a new actuarial amortization policy with an effective date for actuarial valuations beginning on or after June 30, 2019, which includes (i) shortening the period over which actuarial gains and losses are amortized from 30 years to 20 years, (ii) requiring that amortization payments for all unfunded accrued liability bases established after the effective date be computed to remain a level dollar amount throughout the amortization period, (iii) removing the 5-year ramp-up and ramp-down on unfunded accrued liability bases attributable to assumptions changes and non-investment gains/losses established on or after the effective date and (iv) removing the 5-year ramp-down on investment gains/losses established after the effective date. While PERS expects that reducing the amortization period for certain sources of unfunded liability will increase future average funding ratios, provide faster recovery of funded status following market downturns, decrease expected cumulative contributions, and mitigate concerns over intergenerational equity, such changes may result in increases in future employer contribution rates.

On April 16, 2019, the PERS Board established the employer contribution rates for 2019-20 and released certain information from the Schools Pool Actuarial Valuation as of June 30, 2018, ahead of its summer of 2019 release date. Based on the changes in the discount rate, inflation rate, payroll growth rate and demographic assumptions, along with the expected reductions in normal cost due to the continuing transition of active members from those employees hired prior to the Implementation Date (defined below), to those hired after such date, the projected contribution rate for 2020-21 is projected to be 23.6%, with annual increases thereafter, resulting in a projected 26.5% employer contribution rate for fiscal year 2025-26.

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. 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 Employees' 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 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 (previously 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 (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), 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. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the 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.

For fiscal year ending June 30, 2018, the District's proportionate share of the net STRS pension liability was reported as $140,410,987. As of such date, the District's proportionate share of the net PERS pension liability was reported as $68,861,829. See also "APPENDIX B – 2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Medicare Premium Payment Program

The District participates in the Medicare Premium Payment ("MPP") Program, a cost-sharing multiple-employer other postemployment benefit plan. STRS administers the MPP Program through the Teachers' Health Benefit Fund (the "THBF"). The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the State Teachers Retirement Plan Defined Benefit Program ("DB Program") who were retired or began receiving a disability allowance prior to July 1, 2012, and were not eligible for premium free Medicare Part A. The MPP Program is now closed to new entrants.

The MPP Program is funded on a pay-as-you-go basis from a portion of the monthly District benefit payments. Benefit payments that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs.

An actuarial study, with measurement and valuation dates of June 30, 2016, has been prepared pursuant to GASB Statements No. 74 and No. 75 with respect to the liability of the MPP Program. At June 30, 2018, the District reported a liability of $1,156,418 for its proportionate share of the net OPEB liability for the MPP Program. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions relative to the projected contributions of all participating school districts, actuarially determined.

For the year ended June 30, 2018, the District recognized an MPP Program expense of ($120,256).

Other Post-Employment Benefits

Benefits Plan. The District operates a single-employer defined benefit healthcare program that provides certain District-paid medical benefits (the "Post-Employment Benefits") to retirees of the District and, under certain circumstances, eligible dependents. The Post-Employment Benefits vary with age and service requirements. See also "APPENDIX B – THE DISTRICT'S 2017-18 AUDITED FINANCIAL STATEMENTS – Note 9", attached hereto

District contributions are capped at the amount of the District contributed to a retiree's health benefits as of the date of retirement. As of June 30, 2019, there were 137 retirees receiving Post-Employment Benefits, and 1,460 active plan members.

Funding Policy. The District funds the Plan on a "pay-as-you-go" basis for the cost of insurance premiums for current retirees. For fiscal year 2014-15, the District paid $1,576,951 for Post-Employment Benefits provided under the District's plan. For fiscal year 2015-16, the District paid $1,240,623 for Post-Employment Benefits provided under the District's plan. For fiscal year 2016-17, the District paid $930,102 for Post-Employment Benefits provided under the District's plan. For fiscal year 2017-18, the District paid $889,620 for Post-Employment Benefits provided under the District's plan. For fiscal year 2018-19, the District paid $1,263,798 (unaudited) for Post-Employment Benefits provided under the District's plan. The District has budgeted $1,444,500 for such expenditures in fiscal year 2019-20.

Accrued Liability. The District has implemented *Governmental Accounting Standards Board Statement #74, Financial Reporting for Postemployment Benefit Plans Other Than Pensions* ("GASB 74") and *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* ("GASB 75"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Benefits. The new GASB statements No. 74 and No. 75 (discussed below) require biennial actuarial valuations for all plans. The actuarial study, dated as of November 20, 2018 (the "Study"), concluded that, as of June 30, 2018, the Total OPEB Liability (the "TOL") with respect to such benefits, was $23,273,020, the Fiduciary Net Position (the "FNP") of the Trust was $0, and the Net OPEB Liability (the "NOL") was $23,273,020. The TOL is the amount of the actuarial present value of projected benefits payments attributable to employees' past service based on the actuarial cost method used. The FNP are the net assets (liability) of the qualifying irrevocable trust or equivalent arrangement. The NOL is TOL minus the FNP.

See "BALDWIN PARK UNIFIED SCHOOL DISTRICT – District Debt Structure – Long-Term Debt" and "APPENDIX B – THE DISTRICT'S 2017-18 AUDITED FINANCIAL STATEMENTS – Note 9" attached hereto.

GASB Statement Nos. 74 and 75. On June 2, 2015, GASB approved Statements Nos. 74 and 75 with respect to pension accounting and financial reporting standards for public sector post-retirement benefit programs and the employers that sponsor them. GASB No. 74 replaces GASB Statements No. 43 and 57 and Statement No. 75 replaces GASB Statement No. 45.

Most of GASB Statement No. 74 applies to plans administered through trusts, contributions in which contributions are irrevocable, trust assets are dedicated to providing other post –employment benefits to plan members and trust assets are legally protected from creditors. GASB Statements No. 74 and No. 75 will require a liability for OPEB obligations, known as the net OPEB Liability (NOL), to be recognized on the balance sheet of the plan and the participating employer's financial statements. In addition, an OPEB expense (service cost plus interest on total OPEB liability plus current-period benefit changes minus member contributions minus assumed earning on plan investments plus administrative expenses plus recognition of deferred outflows minus recognition of deferred inflows) will be recognized in the income statement of the participating employers. In the notes to its financial statements, employers providing other post-employment benefits will also have to include information regarding the year-to-year change in the NOL and a sensitivity analysis of the NOL to changes in the discount rate and healthcare trend rate. The required supplementary information will also be required to show a 10-year schedule of the plan's net OPEB liability reconciliation and related ratios, and any actuarially determined contributions and investment returns.

Under GASB Statement No. 74, the measurement date must be the same as the plan's fiscal year end, but the actuarial valuation date may be any date up to 24 months prior to the measurement date. For the total OPEB liability (the TOL), if the valuation date is before the measurement date, the results must be projected forward from the valuation date to the measurement date using standard actuarial roll-forward techniques. For plans that are unfunded or have assets insufficient to cover the projected benefit payments, a discount rate reflecting a 20-year tax-exempt municipal bond yield or index rate must be used. For plans with assets that meet the GASB Statement No. 74 requirements, a projection of the benefit payments and future Fiduciary Net Position (FNP) is performed based on the funding policy and assumptions of the plan, along with the methodology specified in GASB.

GASB No. 74 has an effective date for plan fiscal years beginning after June 15, 2016 and GASB Statement No. 75 will be effective for employer fiscal years beginning after June 15, 2017. The District first recognized GASB No. 74 and GASB No. 75 in their financial statements for fiscal year 2017-18.

The full extent of the effect of the new standards on the District is not known at this time. See also "APPENDIX B – THE DISTRICT'S 2017-18 AUDITED FINANCIAL STATEMENTS – Note 1" attached hereto.

Risk Management

The District is exposed to various risks of loss related to property, general liability, workers' compensation and employee benefits. These risks are addressed through a combination of commercial insurance, self-insurance (for workers' compensation only), and participation in certain public entity risk pools.

The District participates in the Alliance of Schools for Cooperative Insurance Programs ("ASCIP") for property and liability insurance coverage. The relationship between the District and ASCIP is such that the latter is not component unit of the District for financial reporting purposes.

Workers' compensation claims are handled through the District's Self-Insurance Fund up to $4,000,000 per claim. The District purchases excess liability coverage from a commercial insurance provider.

There are several claims pending with respect to District employees. In the opinion of the District, the related liability, if any, stemming from these claims will not materially affect the financial condition of the District. Settled claims have not exceeded available insurance coverages in the past three fiscal years. Based upon prior claims experience, the District believes that it has adequate insurance coverage.

See also "APPENDIX B – THE DISTRICT'S 2017-18 AUDITED FINANCIAL STATEMENTS – Note 11" attached hereto.

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District Debt Structure

Long-Term Debt. A schedule of changes in long-term debt for the fiscal year ended June 30, 2018, is shown below:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
General Obligation Bonds[(1)]	$113,563,460	$2,334,096	$3,800,000	$112,097,556
Premium on issuance	12,797,099	--	585,963	12,211,136
2010 Lease Revenue Bonds Series B	25,000,000	--	--	25,000,000
Discount on issuance	(356,471)	--	(35,647)	(320,824)
2016 Lease Revenue Refunding Bonds	3,775,000	--	95,000	3,680,000
Premium on issuance	96,726	--	4,837	91,889
Compensated Absences	93,537	14,127	--	107,664
Capital Leases	531,390	--	127,492	403,898
Supplemental Employee Retirement Plan	--	5,667,190	--	5,667,190
OPEB Obligation – net	24,656,004	--	226,566	24,429,438
Total Long-Term liabilities	$180,156,745	$8,015,413	$4,804,211	$183,367,947

(1) Does not include the District's Election of 2006, Series 2019.
Source: Baldwin Park Unified School District.

Lease Revenue Bonds. The Baldwin Park/Monrovia School Facilities Grant Financing Authority (the "Authority") is a joint exercise of powers authority organized and operating pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State. The Authority is composed of the District and the Monrovia Unified School District (collectively, the "Member Districts") pursuant to a joint exercise of powers agreement by and between the Member Districts, and dated as of April 18, 2000, as amended from time to time to the date hereof. The Authority was established to facilitate capital improvement financings by the Member Districts.

On November 12, 2002, the Authority issued $4,065,000 of its 2002 Lease Revenue Bonds (the "2002 Lease Revenue Bonds") on behalf of the District.

On July 15, 2010, the Authority issued $525,000 of its Lease Revenue Bonds, Series 2010A (the "2010 Series A Lease Revenue Bonds") and $25,000,000 of its Lease Revenue Bonds, Series 2010B (Qualified School Construction Bonds – Direct Payment to Authority) (Federally Taxable) (the "2010 Series B Lease Revenue Bonds," and together with the 2010 Series A Lease Revenue Bonds, the "2010 Lease Revenue Bonds"). The 2010 Series A Lease Revenue Bonds have been fully retired.

On June 22, 2016, the Authority issued $3,885,000 of its 2016 Lease Revenue Refunding Bonds (the "2016 Lease Revenue Refunding Bonds) on behalf of the District, the proceeds of which were utilized to refund the Authority's outstanding 2002 Lease Revenue Bonds.

The 2010 Lease Revenue Bonds and the 2016 Lease Revenue Bonds are payable from lease payments to be made by the District pursuant to lease agreements by and between the District and the Authority for the use and possession of certain District school facilities.

The annual lease payments obligations of the District with respect to lease revenue bonds of the Authority are shown below.

ANNUAL LEASE PAYMENT OBLIGATIONS
Baldwin Park/Monrovia School Facilities Grant Financing Authority
Lease Revenue Bonds

Year Ending October 1	2010 Series B Lease Revenue Bonds[1]	2016 Lease Revenue Bonds	Total
2020	$1,750,000.00	$222,006.26	$1,972,006.26
2021	1,750,000.00	228,556.26	1,978,556.26
2022	1,750,000.00	234,806.26	1,984,806.26
2023	1,750,000.00	240,756.26	1,990,756.26
2024	1,750,000.00	246,406.26	1,996,406.26
2025	1,750,000.00	251,756.26	2,001,756.26
2026	1,750,000.00	257,631.26	2,007,631.26
2027	26,750,000.00	263,256.26	27,013,256.26
2028	--	270,856.26	270,856.26
2029	--	272,856.26	272,856.26
2030	--	281,556.26	281,556.26
2031	--	289,806.26	289,806.26
2032	--	292,606.26	292,606.26
2033	--	295,106.26	295,106.26
2034	--	307,306.26	307,306.26
2035	--	313,906.26	313,906.26
2036	--	319,687.50	319,687.50
	$39,000,000.00	$4,588,862.66	$43,588,862.66

(1) Reflects gross debt service on the 2010 Series B Lease Revenue Bonds, which were designated as federally-taxable "Qualified School Construction Bonds" pursuant to an irrevocable election by the District to have Section 6431(f)(3)(B) of the Internal Revenue Code apply thereto. As a result, the Authority expects to receive a cash subsidy payment (the "Subsidy Payment") from the United States Treasury (the "Treasury") equal to the interest that would be payable on the 2010 Series B Lease Revenue Bonds if such interest were determined at a federal tax credit rate of 5.27%. The Authority is obligated to deposit any Subsidy Payment received in a debt service account for the 2010 Series B Lease Revenue Bonds. The Subsidy Payment does not constitute a full faith and credit guarantee of the United States Government, but is required to be paid by the Treasury. Subsidy Payments are subject to reduction (each, a "Sequestration Reduction") pursuant to the federal Balanced Budget and Emergency Deficit Control Act of 1985, as amended, which currently includes provisions reducing the Subsidy Payments by 5.9% through the end of the current federal fiscal year (September 30, 2020). In the absence of action by the U.S. Congress, the rate of the Sequestration Reduction is subject to change in the following federal fiscal year. The District cannot predict whether or how subsequent sequestration actions may affect Subsidy Payments currently scheduled for receipt in future federal fiscal years. However, notwithstanding any such reduction, the District obligated to make lease payments in an amount sufficient to pay the principal of and interest on the 2010 Series B Lease Revenue Bonds.

Source: Baldwin Park Unified School District.

General Obligation Bonds. The District has issued general obligation bonds pursuant to three voter-approved authorizations, as well as two series of general obligation refunding bonds to refinance portions thereof. After the issuance of the Bonds, none of the 2006 Authorization will remain unissued. The District received authorization at an election held on November 6, 2018 (the "2018 Authorization"), at which the requisite 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $69,000,000 principal amount of general obligation bonds of the District.

The following table summarizes the current outstanding general obligation bond issuances by the District.

OUTSTANDING GENERAL OBLIGATION BONDS
Baldwin Park Unified School District

Bond Issuance	Initial Principal Amount	Principal Currently Outstanding[1]	Date of Delivery
Election of 2002, Series 2004	$9,787,897.55	$2,545,501.65	June 16, 2004
Election of 2002, Series 2005	4,998,699.10	3,108,699.10	November 2, 2005
Election of 2006, Series 2013[2]	23,736,779.75	23,633,473.20	December 18, 2013
2016 General Obligation Refunding Bonds	68,780,000.00	63,690,000.00	June 22, 2016
Election of 2006, Series 2019	11,765,000	$11,765,000	June 19, 2019
Totals:	$119,068,376.40	$104,742,673.95	

(1) As of October 1, 2019.
(2) Includes the Refunded Bonds expected to be refunded from the proceeds of the Bonds.
Source: Baldwin Park Unified School District.

The table on the following page shows the combined debt service schedule with respect to the total outstanding general obligation debt of the District, including the Bonds (and assuming no optional redemptions).

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COMBINED GENERAL OBLIGATION BOND DEBT SERVICE
Baldwin Park Unified School District

Period Ending (August 1)	Series 2004 Bonds	Series 2005 Bonds	Series 2013 Bonds[1]	2016 Refunding Bonds	Series 2019 Bonds	The Bonds	Total Annual Debt Service
2020	$920,000.00	--	$125,000.00	$5,582,450.00	$885,049.17	$482,734.86	$7,995,234.03
2021	970,000.00	--	160,000.00	5,798,450.00	898,050.00	695,138.20	8,521,638.20
2022	1,015,000.00	--	200,000.00	5,336,250.00	604,050.00	700,138.20	7,855,438.20
2023	1,065,000.00	$670,000.00	240,000.00	4,912,450.00	631,050.00	729,972.80	8,248,472.80
2024	1,115,000.00	695,000.00	280,000.00	5,140,700.00	636,650.00	738,815.00	8,606,165.00
2025	1,170,000.00	725,000.00	330,000.00	4,276,200.00	646,650.00	742,326.40	7,890,176.40
2026	1,225,000.00	755,000.00	380,000.00	4,522,700.00	650,850.00	745,672.40	8,279,222.40
2027	1,285,000.00	785,000.00	430,000.00	4,776,450.00	659,450.00	753,853.00	8,689,753.00
2028	--	2,160,000.00	485,000.00	5,041,200.00	667,250.00	766,702.80	9,120,152.80
2029	--	2,260,000.00	540,000.00	5,325,450.00	674,250.00	769,056.40	9,568,756.40
2030	--	2,360,000.00	605,000.00	5,607,200.00	680,450.00	776,244.60	10,028,894.60
2031	--	--	670,000.00	8,380,450.00	690,850.00	788,102.00	10,529,402.00
2032	--	--	735,000.00	8,806,650.00	705,250.00	794,463.20	11,041,363.20
2033	--	--	810,000.00	3,424,250.00	713,450.00	800,493.60	5,748,193.60
2034	--	--	885,000.00	3,589,450.00	720,650.00	811,193.20	6,006,293.20
2035	--	--	965,000.00	3,758,450.00	736,850.00	816,396.60	6,276,696.60
2036	--	--	1,050,000.00	3,940,650.00	741,650.00	831,269.20	6,563,569.20
2037	--	--	3,195,000.00	2,152,700.00	690,450.00	745,480.20	6,783,630.20
2038	--	--	5,970,000.00	--	450,450.00	647,337.60	7,067,787.60
2039	--	--	--	--	469,250.00	6,769,607.40	7,238,857.40
2040	--	--	--	--	491,850.00	7,332,553.20	7,824,403.20
2041	--	--	--	--	516,500.00	7,659,431.45	8,175,931.45
2042	--	--	--	--	535,100.00	8,011,170.90	8,546,270.90
2043	--	--	--	--	562,800.00	8,365,758.10	8,928,558.10
2044	--	--	--	--	589,300.00	8,742,337.60	9,331,637.60
2045	--	--	--	--	614,600.00	9,137,328.00	9,751,928.00
2046	--	--	--	--	638,700.00	5,473,440.00	6,112,140.00
2047	--	--	--	--	671,600.00	--	671,600.00
2048	--	--	--	--	696,800.00	--	696,800.00
Total	$8,765,000.00	$10,410,000.00	$18,055,000.00	$90,372,100.00	$18,869,849.17	$75,627,016.91	$222,098,966.08

(1) Does not include debt service on Refunded Bonds.
Source: Baldwin Park Unified School District.

Capital Leases. The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Data Center
Balance, July 1, 2017	$568,420
Payments	(142,105)
Balance, June 30, 2018	$426,315

Future payments on capital leases are as follows:

Year Ending (June 30)	Total Payments
2019	$142,105
2020	142,105
2021	142,105
Total:	426,315
Less: Amount representing interest	22,417
Present Value of Minimum Lease Payments	$403,898

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2018, include the following:

Vehicles & Equipment	$721,773
Less: Accumulated depreciation	(317,676)
Total:	$404,097

Supplemental Early Retirement Program. The District offered an early retirement incentive to qualify employees under a qualified plan of Section 401A of the Internal Revenue Code. The retiree receives an annual benefit in five equal installments. Currently, there are 54 employees participating in the plan, and the District's obligation to those retirees as of June 30, 2018, is $5,667,190:

Year Ending (June 30)	Total Payments
2019	$1,133,438
2020	1,133,438
2021	1,133,438
2022	1,133,438
2023	1,133,438
Total:	$5,667,190

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code but is exempt from State of California personal income tax.

Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by the Owner of a Bond will increase the Owner's basis in the Bond. **BOND HOLDERS SHOULD NOTE THAT THE ACCRUAL OF ORIGINAL ISSUE DISCOUNT WITH RESPECT TO A BOND WITH ORIGINAL ISSUE DISCOUNT WILL RESULT IN TAXABLE INCOME PRIOR TO THE RECEIPT OF A CASH PAYMENT ON THE BOND WITH RESPECT TO SUCH INCOME; SUCH MISMATCHING WILL BE PARTICULARLY SUBSTANTIAL WITH RESPECT TO BONDS THAT ARE CAPITAL APPRECIATION BONDS. OWNERS OF BONDS SHOULD**

CONSULT THEIR OWN TAX ADVISOR WITH RESPECT TO TAKING INTO ACCOUNT ANY ORIGINAL ISSUE DISCOUNT ON THE BONDS.

The amount by which a Bond Owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the Owner of a Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of taxable interest received) and is deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the Owner of a Bond realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. The Owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

In the event of a legal defeasance of a Bond, such bond might be treated as retired and "reissued" for federal tax purposes as of the date of the defeasance, potentially resulting in recognition of taxable gain or loss to the applicable Bondholder generally equal to the difference between the amount deemed realized from the deemed redemption and reissuance and the Bondholder's adjusted tax basis in such bond.

The federal tax and State of California personal income tax discussion set forth above with respect to the Bonds is included for general information only and may not be applicable depending upon a Owner's particular situation. The ownership and disposal of the Bonds and the accrual or receipt of interest with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences.

A copy of the proposed form of opinion of Bond Counsel for the Bonds is attached hereto as APPENDIX A.

LIMITATION ON REMEDIES; BANKRUPTCY

General

State law contains certain safeguards to protect the financial solvency of school districts. See "DISTRICT FINANCIAL INFORMATION – Budget Process" herein. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent, operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of the school district for the adjustment of its debts, assuming that the school district meets certain other requirements contained in the Bankruptcy Code necessary for filing a petition under Chapter 9. School districts are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a

Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

Statutory Lien

Pursuant to Government Code Section 53515, the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax, and such lien automatically arises, without the need for any action or authorization by the District or the Board, and is valid and binding from the time the Bonds are executed and delivered. See "THE BONDS – Security and Sources of Payment" herein. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed, unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged *ad valorem* property taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues

If the *ad valorem* property tax revenues that are pledged to the payment of the Bonds are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged *ad valorem* property tax revenues should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. State law prohibits the use of the tax proceeds for any purpose other than payment of the Bonds and the Bond proceeds can only be used to finance or refinance the acquisition or improvement of real property and other capital expenditures included in the proposition, so such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of *ad valorem* property tax revenues collected for the payments of bonds in the State, so no assurance can be given that a bankruptcy court would not hold otherwise.

Possession of Tax Revenues; Remedies

The County on behalf of the District is expected to be in possession of the annual *ad valorem* property taxes and certain funds to repay the Bonds and may invest these funds in the County's pooled investment fund, as described in "THE BONDS – Application and Investment of Bond Proceeds" herein and "APPENDIX F – LOS ANGELES COUNTY TREASURY POOL" attached hereto. If the County goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County does not voluntarily pay such tax revenues to the owners of the Bonds, it is not entirely clear what procedures the owners of the Bonds would have to follow to attempt to obtain possession of such tax revenues, how much time it would take for such procedures to be completed, or whether such procedures would ultimately be successful. Further, should those investments suffer any losses, there may be delays or reductions in payments on the Bonds.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights

The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the 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.

LEGAL MATTERS

Legality for Investment in California

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

Enhanced Reporting Requirements

Under Section 6049 of the Internal Revenue Code of 1986, as amended by the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"), interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Escrow Verification

Upon delivery of the Bonds, the Verification Agent will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of the Refunded Bonds on August 1, 2023, and interest on the Refunded Bonds due on and prior to such date.

Continuing Disclosure

Current Undertaking. In connection with the issuance of the Bonds, the District has covenanted for the benefit of Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than eight months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2018-19 fiscal year (which is due no later than March 1, 2020), and to provide notices of the occurrence of certain listed events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Reports or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Previous Undertakings. Within the past five years, the District has failed to file in a timely manner certain notices of listed events as required by its prior undertakings pursuant to the Rule.

Absence of Material Litigation

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

There are certain lawsuits and claims pending against the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims, if determined adverse to the District, would not materially affect the finances of the District.

Legal Opinion

The legal opinion of Bond Counsel, approving the validity of the Bonds, will be supplied to the original purchasers of the Bonds without cost. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX A.

MISCELLANEOUS

Rating

Moody's has assigned the rating of "Aa3" to the Bonds. Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency, at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007.

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. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

The District has covenanted in a Continuing Disclosure Certificate to file on the Electronic Municipal Market Access website operated by Municipal Securities Rulemaking Board ("EMMA") notices of any rating changes on the Bonds. See "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA. Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

Financial Statements

The District's audited financial statements with supplemental information for the year ended June 30, 2018, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report of Vavrinek Trine, Day & Co., LLP (the "Auditor") dated December 17, 2018, are attached to this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor thereon in APPENDIX B to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Underwriting

The Bonds are being purchased by Morgan Stanley & Co. LLC (the "Underwriter"), pursuant to a contract for purchase and sale thereof by and between the Underwriter and the District (the "Purchase Contract"). The Underwriter has agreed to purchase the Bonds at a price of $33,621,565.43, which is equal to the initial principal amount of the Bonds of $32,996,025.05, plus original issue premium of $760,500.00, and less the Underwriter's discount of $134,959.62.

The Purchase Contract for the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by Bond Counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside cover page. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has provided the following for inclusion in this Official Statement. The District does not guarantee the accuracy or completeness of the following information, and the inclusion thereof should not be construed as a representation of the District.

Morgan Stanley & Co. LLC, an underwriter of the Bonds, has entered into a distribution agreement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley &Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

Municipal Advisor

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

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution providing for issuance of the Bonds, and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

All data contained herein has been taken or constructed from District records. Appropriate District officials, acting in their official capacities, have reviewed this Official Statement and have determined that, as of the date hereof, the information contained herein is, to the best of their knowledge and belief, true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made herein, in light of the circumstances under which they were made, not misleading. This Official Statement has been approved by the District.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended only as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or Owners, beneficial or otherwise, of any of the Bonds. This Official Statement and the delivery thereof have been duly approved and authorized by the District.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

By: /s/ Froilan N. Mendoza, Ed.D.
Superintendent

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APPENDIX A

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the Bonds, Stradling Yocca Carlson & Rauth, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds substantially in the following form:

November 21, 2019

Board of Trustees
Baldwin Park Unified School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $32,996,025.05 Baldwin Park Unified School District 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

Based on our examination as bond counsel of existing law, certified copies of such legal proceedings and such other proofs as we deem necessary to render this opinion, we are of the opinion, as of the date hereof and under existing law, that:

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, and a resolution of the Board of Education of the Baldwin Park Unified School District (the "District") adopted on October 8, 2019 (the "Resolution").

2. The Bonds constitute valid and binding general obligations of the District, payable as to both principal and interest from the proceeds of a levy of *ad valorem* property taxes on all property subject to such taxes in the District, which taxes are unlimited as to rate or amount.

3. Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code").

4. Interest on the Bonds is exempt from State of California personal income tax.

5. Except for certain exceptions, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated payment price at maturity with respect to such Bond (to the extent the redemption price at maturity is greater than the issue price) constitutes original issue discount. For purposes of the previous sentence, the stated redemption price at maturity includes the aggregate sum of all debt service payments on Capital Appreciation Bonds. Original issue discount accrues under a constant yield method. The amount of original issue discount deemed received by a Bond owner will increase the Bond owner's basis in the applicable Bond.

6. The amount by which a Bond owner's original basis for determining gain or loss on sale or exchange of the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable bond premium, which the owner of a Bond may elect to amortize under Section 171 of the Code. Such amortizable bond premium reduces the Bond owner's basis in the applicable Bond (and the amount of taxable interest received) for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in the owner of a Bond realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner. The owners of the Bonds that have a basis in the Bonds that is greater than the principal amount of the Bonds should consult their own tax advisors with respect to whether or not they should elect to amortize such premium under Section 171 of the Code.

Except as expressly set forth in paragraphs (3), (4), (5) and (6), we express no opinion regarding any tax consequences with respect to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing statutes, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not 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 as bond counsel to the District terminates upon the issuance of the Bonds.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted to the extent constitutionally applicable and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases and by the limitations on legal remedies against public agencies in the State of California.

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX B

2017-18 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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BALDWIN PARK
UNIFIED SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT

JUNE 30, 2018

BALDWIN PARK UNIFIED SCHOOL DISTRICT

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Governing Board
Baldwin Park Unified School District
Baldwin Park, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Baldwin Park Unified School District (the District) as of and for the year ended June 30, 2018, 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 and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* issued by the California Education Audit Appeals Panel as regulations. 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 District'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 District'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 Baldwin Park Unified School District, as of June 30, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 and 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension* . Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 13, budgetary comparison schedule on page 69, schedule of changes in the District's total OPEB liability and related ratios on page 70, schedule of the District's proportionate share of the net OPEB liability - MPP program on page 71 , schedule of the District's proportionate share of the net pension liability on page 72 and the schedule of District contributions on page 73, 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 Baldwin Park Unified School District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards,[8] as required by *Title 2 U.S. Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and the other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying 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 December 17, 2018, on our consideration of the Baldwin Park Unified School 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 Baldwin Park Unified School 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 Baldwin Park Unified School District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 17, 2018

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Baldwin Park, CA 91706

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This section of Baldwin Park Unified School District's (the District) (2017-2018) annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2018 with comparative information from 2017. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

The District's financial status remained positive.

- The District performed well in 2017-2018 ending with a reserve level of 19.02 percent, which was the highest since 2007-2008; and LCFF provides healthy State apportionments to the District since the District is at 89.29 percent unduplicated count.
- Total government-wide net position was recorded at negative $86,332,626 (see page 15). Overall government-wide revenues were $226,279,843; overall government-wide expenses were $239,636,276.
- Average Daily Attendance (ADA) continued to decline by 648 for grades Kindergarten through Twelve, with overall enrollment dropping approximately 654 at CBEDs enrollment as of October 2017, for the 2017-2018 fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts - management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *District-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations *in more detail* than the District-wide financial statements.
- The *Governmental Funds* statements tell how *basic* services like regular and special education were financed in the *short-term*, as well as what remains for future spending.
- *Fiduciary Funds* statements provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include *Notes* that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the financial statements with a comparison of the District's budget for the year.

District-Wide Financial Statements

The District-wide financial statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The *Statement of Net Position* includes *all* of the District's assets and liabilities with the exception of other postemployment benefits. All of the current year's revenues and expenses are accounted for in the *Statement of Activities* regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's *financial health*, or *financial position*.

- Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating, respectively.

- Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

In the District-wide financial statements, the District's activities are reported as governmental activities.

Governmental Activities

Most of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and State formula aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's *funds*, focusing on its most significant or "major" funds – not the District as a whole. 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 State law and by bond covenants.

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term obligations) or to show that it is properly using certain revenues (like State grants for building projects).

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, and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide financial statements, we provide additional information with the governmental funds statements that explain the relationship (or differences) between them.

Fiduciary Funds **-** The District is the trustee, or *fiduciary*, for assets that belong to others, such as the scholarship fund and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. We exclude these activities from the District-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's Net Position (Deficit) was ($86,322,626) for the fiscal year ended June 30, 2018. Of this amount $23,958,750 was restricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the District's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2018	2017 as restated
Assets		
Current and other assets	$ 92,376,432	$ 86,034,516
Capital assets, net	176,087,898	181,304,665
Total Assets	268,464,330	267,339,181
Deferred Outflows of Reserves	74,892,963	54,353,810
Liabilities		
Current liabilities	25,492,879	25,414,571
Long-term obligations	183,367,947	180,156,745
Aggregate net pension liability	209,272,816	181,401,293
Total Liabilities	418,133,642	386,972,609
Deferred Inflows of Reserves	11,556,277	7,696,575
Net Position		
Net investment in capital assets	43,857,263	45,836,640
Restricted	23,958,750	21,490,043
Unrestricted (deficit)	(154,148,639)	(140,302,876)
Total Net Position (Deficit)	$ (86,332,626)	$ (72,976,193)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities* on page 15. Table 2 takes the information for the Statement and rearranges them slightly so you can see our revenues for the year.

Table 2

	Governmental Activities	
	2018	2017
Revenues		
Program revenues:		
Charges for services	$ 629,717	$ 765,160
Operating grants and contributions	53,672,350	47,655,205
General revenues:		
Federal and State sources	128,358,568	131,153,016
Property taxes	24,348,702	21,307,372
Other general revenues	19,270,506	19,178,709
Total Revenues	226,279,843	220,059,462
Expenses		
Instruction-related	168,864,301	162,786,936
Pupil services	22,203,438	22,176,872
Administration	13,749,268	8,881,098
Plant services	21,757,146	19,850,629
Other	13,062,123	13,008,453
Total Expenses	239,636,276	226,703,988
Change in Net Position	$ (13,356,433)	$ (6,644,526)

The total cost of all programs was $239,636,276. The District's expenses are predominately related to educating and caring for students (79.73 percent), with 9.08 percent of expenditures attributable to maintenance projects. The purely administrative activities of the District accounted for 5.74 percent of total costs and the remaining 5.45 percent for operations. Total expenses exceeded revenues, decreasing net position by $13,356,433.

Governmental Activities

As reported on the *Statement of Activities* on page 15, the cost of all our governmental activities this year was $239,636,276. However, the amount that our taxpayers ultimately financed for these activities through local taxes was only $24,348,702, because the cost was paid by those who benefited from the programs ($629,717) or by other governments and organizations who subsidized certain programs with grants and contributions of $53,672,350. We paid for the remaining "public benefit" portion of our governmental activities with $128,358,568 in Federal and State funds, and $19,270,506 with our revenues, like interest and general entitlements.

- The Federal and State governments subsidized many programs' costs with entitlements and grants.

- The City of Baldwin Park property taxpayers and the State apportionment financed the larger portion of the program cost.

In Table 3, we have presented the cost of each of the District's largest functions - instruction, which includes both regular and special instructional programs, pupil services, pupil transportation, administration, plant services, and other, as well as each program's *net cost* (total cost less revenues generated by the activities). Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	2018		2017	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Instruction and related activities	$ 168,864,301	$ 130,564,173	$ 162,786,936	$ 129,964,204
Pupil services	19,714,644	8,277,284	19,376,618	7,654,746
Pupil transportation	2,488,794	2,377,029	2,800,254	2,800,254
Administration	13,749,268	13,192,999	8,881,098	8,408,316
Plant services	21,757,146	19,622,724	19,850,629	18,262,170
Other	13,062,123	11,300,000	13,008,453	11,193,933
Total	$ 239,636,276	$ 185,334,209	$ 226,703,988	$ 178,283,623

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $68,445,637, which is an increase of $6,119,362 from last year.

Table 4

	Balances and Activity			
	July 1, 2017	Revenues	Expenditures	June 30, 2018
General Fund	$ 37,297,218	$ 176,929,662	$ 173,398,129	$ 40,828,751
Child Development Fund	23,867	18,341,297	18,327,221	37,943
Debt Service Fund for Blended Component Units	9,377,722	3,381,891	1,958,206	10,801,407
Non-Major Governmental Funds	15,627,468	29,698,612	28,548,544	16,777,536
Total	$ 62,326,275	$ 228,351,462	$ 222,232,100	$ 68,445,637

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into the following categories:

- Changes made in the first interim period in revenues were mainly due to recognition of deferred revenue from last year and the addition of restricted grants. Expenses increased to correspond with increases for restricted fund balance and costs associated with the carryovers and receipt of restricted grants.

- Changes made in the second interim period in revenues were mainly due to the corresponding revenue recognition.

- The estimated actuals reflected a net change in fund balance of approximately $3.8 million.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2018, the District had invested $176,087,898 in a broad range of capital assets. This amount represents a net decrease of $5,216,767, or 2.88 percent, from last year. (More detailed information about capital assets can be found in Note 5 to the financial statements). Total depreciation expense for the year was $8,781,880 while additions to construction in progress, land, and building improvements, and furniture and equipment amounted to $3,565,113.

Table 5

	Governmental Activities	
	2018	2017
Land	$ 17,267,467	$ 17,267,467
Land improvements	7,957,618	8,788,965
Buildings and improvements	145,130,283	149,026,657
Furniture and equipment	5,057,345	5,603,132
Vehicles	675,185	618,444
Total Capital Assets, Net	$ 176,087,898	$ 181,304,665

Long-Term Obligations

At year-end, the District had $183,367,947 in general obligation bonds and other long-term obligations outstanding - an increase of 1.8 percent from last year as shown in Table 6. (More detailed information about the District's long-term obligations is presented in Note 9 to the financial statements.)

Table 6

	Governmental Activities	
	2018	2017 (as restated)
General obligation bonds	$ 112,097,556	$ 113,563,460
Premium on issuance	12,303,025	12,893,825
Lease revenue bonds	28,680,000	28,775,000
Discount on issuance	(320,824)	(356,471)
Compensated absences	107,664	93,537
Capital leases	403,898	531,390
Supplemental employee retirement plan	5,667,190	-
OPEB obligation - net	24,429,438	24,656,004
Total	$ 183,367,947	$ 180,156,745

The District continues to pay down its existing debt.

- The District reported approximately $24.4 million in OPEB obligation - net as a result of implementing GASB Statement No. 75 in 2017-2018. The District has taken steps to reduce the OPEB liabilities by providing offsets on an annual basis.

NET PENSION LIABILITY (NPL)

At year end, the District had a net pension liability of $209,272,816 as a result of GASB Statement No. 68 and Financial Reporting for Pensions. The District has, therefore, recorded its proportionate share of net pension liabilities for CalSTRS and CalPERS.

FACTORS BEARING ON THE DISTRICT'S FUTURE

At the time these financial statements were prepared and audited, the District has the following existing circumstances that could significantly affect its financial health in the future:

- With the passage of Proposition 30 in the November 2012 election, the State Legislature adopted Local Control Funding Formula (LCFF) in June 2013, allowing local education agencies (LEAs) with higher population of English learners, low-income students and fosters children to receive additional funding. LCFF is to be fully implemented by 2018-2019.

Key Assumptions

- ADA is declining by approximately 400 students, and the District will be funded on prior year ADA. This will also affect the 2018-2019 fiscal year.
- The Governor's May Revision Budget was used by the District and based on the passage of the tax initiative and Local Control Funding Formula (LCFF).
- The District currently has no plan in participating in the mid-year TRANs.
- A decrease of approximately $1 million in Federal Revenues due to reductions with Title I, Title II Teacher Quality, and Title III and declining enrollment are on-going concerns.
- The District is participating in the Mandated Block Grant to ensure receipt of the funds. In 2016-2017, this amounted to approximately $513,490.
- Additionally, one time funding for outstanding claims from prior years amounting to approximately $1.9 million in 2017-2018.
- With the passage of Proposition 39, the District has received funding for energy efficiency projects. This funding will last for five years. Baldwin Park Unified School District currently budgeted $1.3 million for 2017-2018 fiscal year. Total funding is estimated at $3 million. The District has started construction early summer of 2016-2017.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office at Baldwin Park Unified School District, 3699 North Holly Avenue, Baldwin Park, California, 91706, or email at: sibarra573@bpusd.net.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2018

	Governmental Activities
ASSETS	
Deposits and investments	$ 80,459,053
Receivables	10,761,579
Stores inventories	400,879
Other current assets	754,921
Capital assets	
Land and construction in process	17,267,467
Other capital assets	331,743,325
Less: Accumulated depreciation	(172,922,894)
Total Capital Assets	176,087,898
Total Assets	268,464,330
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charge on refunding	6,517,172
Deferred outflows of resources related to pensions	68,375,791
Total Deferred Outflows of Resources	74,892,963
LIABILITIES	
Overdrafts	3,267,455
Accounts payable	20,471,623
Interest payable	1,562,084
Unearned revenue	191,717
Long-term obligations:	
Current portion of long-term obligations other than pensions	4,534,436
Noncurrent portion of long-term obligations other than pensions	178,833,511
Total Long Term-Obligations	183,367,947
Aggregate net pension liability	209,272,816
Total Liabilities	418,133,642
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources related to pensions	10,704,465
Deferred inflows of resources related to postemployment benefits other than pensions	851,812
Total Deferred Inflows of Resources	11,556,277
NET POSITION	
Net investment in capital assets	43,857,263
Restricted for:	
Debt service	14,485,499
Capital projects	475,112
Educational programs	5,551,727
Other activities	3,446,412
Unrestricted (deficit)	(154,148,639)
Total Net Position (Deficit)	$ (86,332,626)

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018

		Program Revenues		Net (Expenses) Revenues and Changes in Net Position
Functions/Programs	**Expenses**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Governmental Activities**
Governmental Activities:				
Instruction	$ 133,728,254	$ 55,980	$ 29,240,994	$ (104,431,280)
Instruction-related activities:				
Supervision of instruction	17,839,565	1,587	8,105,676	(9,732,302)
Instructional library, media, and technology	2,687,212	-	36,614	(2,650,598)
School site administration	14,609,270	14	859,263	(13,749,993)
Pupil services:				
Home-to-school transportation	2,488,794	-	111,765	(2,377,029)
Food services	9,838,566	512,414	8,517,651	(808,501)
All other pupil services	9,876,078	116	2,407,179	(7,468,783)
Administration:				
Data processing	2,349,178	-	10,254	(2,338,924)
All other administration	11,400,090	16,913	529,102	(10,854,075)
Plant services	21,757,146	36,194	2,098,228	(19,622,724)
Community services	160,008	6,499	257,352	103,843
Interest on long-term obligations	7,195,888	-	-	(7,195,888)
Other outgo	5,706,227	-	1,498,272	(4,207,955)
Total Governmental Activities	$ 239,636,276	$ 629,717	$ 53,672,350	(185,334,209)
General revenues and subventions:				
Property taxes, levied for general purposes				17,894,385
Property taxes, levied for debt service				6,454,317
Taxes levied for other specific purposes				529,072
Federal and State aid not restricted to specific purposes				128,358,568
Interest and investment earnings				784,928
Miscellaneous				17,956,506
Subtotal, General Revenues				171,977,776
Change in Net Position				(13,356,433)
Net Position - Beginning				(62,244,472)
Net Restatement due to GASB Statement No. 75				(10,731,721)
Net Position (Deficit) - Beginning, as Restated				(72,976,193)
Net Position (Deficit) - Ending				$ (86,332,626)

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

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018

	General Fund	Child Development Fund	Debt Service Fund for Blended Component Units	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 53,016,174	$ -	$ 10,801,407	$ 16,641,472	$ 80,459,053
Receivables	5,644,066	4,649,065	-	468,448	10,761,579
Stores inventories	182,326	-	-	218,553	400,879
Other current assets	754,921	-	-	-	754,921
Total Assets	$ 59,597,487	$ 4,649,065	$ 10,801,407	$ 17,328,473	$ 92,376,432
LIABILITIES AND FUND BALANCES					
Liabilities:					
Overdrafts	$ -	$ 3,267,455	$ -	$ -	$ 3,267,455
Accounts payable	18,648,548	1,298,809	-	524,266	20,471,623
Unearned revenue	120,188	44,858	-	26,671	191,717
Total Liabilities	18,768,736	4,611,122	-	550,937	23,930,795
Fund Balances:					
Nonspendable	257,326	-	-	223,553	480,879
Restricted	5,551,727	35,027	10,801,407	9,945,226	26,333,387
Assigned	2,034,798	2,916	-	6,608,757	8,646,471
Unassigned	32,984,900	-	-	-	32,984,900
Total Fund Balances	40,828,751	37,943	10,801,407	16,777,536	68,445,637
Total Liabilities and Fund Balances	$ 59,597,487	$ 4,649,065	$ 10,801,407	$ 17,328,473	$ 92,376,432

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2018

Total Fund Balance - Governmental Funds		**$ 68,445,637**
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 as assets in governmental funds.		
The cost of capital assets is:	$ 349,010,792	
Accumulated depreciation is:	(172,922,894)	
Net Capital Assets		176,087,898
Deferred charges on refunding (the difference between the reacquisition price and net carrying amount of refunded) are capitalized and amortized over the remaining life of the new or old debt (whichever is shorter) and are included with governmental activities.		6,517,172
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term obligations is recognized when it is incurred.		(1,562,084)
Deferred outflows of resources related to pensions represent a consumpion of net position in a future period and is not reported in the District's funds.		
Deferred outflows of resources related to pensions at year-end consist of:		
Pension contributions subsequent to measurement date	18,290,488	
Net change in proportionate share of net pension liability	8,645,738	
Difference between projected and actual earning on pension plan investments	2,382,148	
Differences between expected and actual experience in the measurement of the total pension liability	2,986,289	
Changes of assumptions	36,071,128	
Total Deferred Outflows of Resources Related to Pensions		68,375,791
Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds.		
Deferred inflows of resources related to pensions at year-end consist of:		
Net change in proportionate share of net pension liability	(3,705,172)	
Difference between expected and actual experience in the measurement of the total pension liability	(2,448,994)	
Difference between projected and actual earning on pension plan investments	(3,739,536)	
Changes of assumptions	(810,763)	
Total Deferred Inflows of Resources Related to Pensions		(10,704,465)

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION (Continued)
JUNE 30, 2018

Deferred inflows of resources related to pensions represent an acquisition of net position that applies to a future period and is not reported in the District's funds. Deferred inflows of resources related to OPEB at year end consists of changes of assumptions		(851,812)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		$ (209,272,816)
Long-term obligations, including general obligation bonds, lease revenue bonds, capital lease obligations, compensated absences, and postemployment benefits are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term obligations at year-end consist of:		
General obligation bonds	$ 98,494,261	
Premium on issuance, net of amortization	12,303,025	
Lease revenue bonds	28,680,000	
Discount on issuance, net of amortization	(320,824)	
Compensated absences - accumulated vacation	107,664	
Capital lease obligations	403,898	
Supplemental employee retirement plan	5,667,190	
Net other postemployment benets (OPEB) obligation	24,429,438	
In addition, the District issued "capital appreciation" general obligation bonds. The cumulative capital accretion on the general obligation bond is:	13,603,295	
Total Long-Term Obligations		(183,367,947)
Total Net Position (Deficit) - Governmental Activities		**$ (86,332,626)**

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	General Fund	Child Development Fund	Debt Service Fund for Blended Component Units
REVENUES			
Revenue limit sources	$ 140,811,758	$ -	$ -
Federal sources	10,652,447	15,225,251	-
Other State sources	13,860,122	3,003,766	-
Other local sources	11,605,335	112,280	1,599,908
Total Revenues	176,929,662	18,341,297	1,599,908
EXPENDITURES			
Current			
Instruction	105,283,952	8,769,170	-
Instruction-related activities:			
Supervision of instruction	10,607,816	4,876,947	-
Instructional library, media, and technology	2,148,754	-	-
School site administration	11,092,445	417,181	-
Pupil services:			
Home-to-school transportation	2,302,086	-	-
Food services	-	-	-
All other pupil services	8,017,666	624,013	-
Administration:			
Data processing	2,181,112	-	-
All other administration	4,942,413	74,541	-
Plant services	16,884,465	1,346,217	-
Facility acquisition and construction	62,140	2,066,879	-
Community services	-	152,273	-
Other outgo	5,706,227	-	-
Debt service			
Principal	127,492	-	95,000
Interest and other	-	-	1,863,206
Total Expenditures	169,356,568	18,327,221	1,958,206
Excess (Deficiency) of Revenues Over Expenditures	7,573,094	14,076	(358,298)
Other Financing Sources (Uses):			
Transfers in	-	-	1,781,983
Transfers out	(4,041,561)	-	-
Net Financing Sources (Uses)	(4,041,561)	-	1,781,983
NET CHANGE IN FUND BALANCES	3,531,533	14,076	1,423,685
Fund Balances - Beginning	37,297,218	23,867	9,377,722
Fund Balances - Ending	$ 40,828,751	$ 37,943	$ 10,801,407

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

Non-Major Governmental Funds	Total Governmental Funds
$ -	$ 140,811,758
10,738,782	36,616,480
7,629,578	24,493,466
8,667,845	21,985,368
27,036,205	223,907,072
4,795,391	118,848,513
741,080	16,225,843
314,629	2,463,383
1,583,293	13,092,919
-	2,302,086
9,627,452	9,627,452
317,328	8,959,007
-	2,181,112
263,502	5,280,456
1,805,261	20,035,943
1,542,803	3,671,822
-	152,273
-	5,706,227
3,800,000	4,022,492
3,354,976	5,218,182
28,145,715	217,787,710
(1,109,510)	6,119,362
2,662,407	4,444,390
(402,829)	(4,444,390)
2,259,578	-
1,150,068	6,119,362
15,627,468	62,326,275
$ 16,777,536	$ 68,445,637

BALDWIN PARK UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2018

Total Net Change in Fund Balances - Governmental Funds		**$ 6,119,362**
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures, however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.		
This is the amount by which depreciation exceeds capital outlay expense in the period.		
Depreciation expense	$ (8,781,880)	
funds as expenditures, however, for governmental activities, those costs are	3,565,113	
Net expense adjustment		(5,216,767)
In the Statement of Activities, certain operating expenses - compensated absences (vacations) and special termination benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, special termination benefits earned was more than amounts used by 5,667,190. Vacation earned was more than the amounts used by $14,127.		(5,681,317)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(9,997,251)
Repayment of general oblgiation bonds, lease revenue bonds, ,and capital lease obligations is an expenditure in the governmental funds, but it reduces long-term obligations in the Statement of Net Position and does not affect the Statement of Activities:		
General obligation bonds		3,800,000
Lease revenue bonds		95,000
Capital lease obligations		127,492

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

Under the modified basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available:		
Amortization of debt premium	$ 590,800	
Amortization of debt discount	(35,647)	
Amortization of deferred amount on refunding	(343,009)	
Combined adjustment		$ 212,144
In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows and net OPEB liability during the year.		(625,246)
Interest on long-term obligations in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The additional interest reported in the Statement of Activities is the result of two factors. First, accrued interest on the general obligation bonds decreased by $144,246, and second, $2,334,096 of additional accumulated interest was accreted on the District's "capital appreciation" general obligation bonds and bond anticipation notes.		(2,189,850)
Change in Net Position of Governmental Activities		**$ (13,356,433)**

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

BALDWIN PARK UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2018

	Agency Funds
ASSETS	
Deposits and investments	$ 582,943
Stores inventories	11,738
Total Assets	$ 594,681
LIABILITIES	
Due to student groups	$ 594,681

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Baldwin Park Unified School District (the District) was unified on July 1, 1960, under the laws of the State of California. The District operates under a locally-elected five member Board form of government and provides educational services to grades K - 12 as mandated by the State and/or Federal agencies. The District operates thirteen elementary schools, two middle schools, two junior high schools, two high schools, a continuation, and an adult program.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards, and agencies that are not legally separate from the District. For Baldwin Park Unified School District, this includes general operations, food service, and student related activities of the District.

Charter School the District has approved charters for two Opportunities for Learning Charter Schools pursuant to *Education Code* Section 47605. The Opportunities for Learning Charter Schools are operated by the Opportunities for Learning Corporation and are not considered component units of the District.

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may include organizations that are fiscally dependent on the District in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit discussed below is reported in the District's financial statements because of its relationship with the District.

The Baldwin Park/Monrovia School Facilities Authority Corporation's financial activity is presented in the financial statements within the Debt Service Fund for Blended Component Units. Lease Revenue Bonds issued by the Authority are included as long-term obligations in the government-wide financial statements.

Basis of Presentation - Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's funds are grouped into two broad fund categories: governmental and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major and non-major governmental funds:

Major Governmental Funds

General Fund The General Fund is the chief operating fund for all districts. It is used to account for the ordinary operations of the District. All transactions except those accounted for in another fund are accounted for in this fund.

Child Development Fund The Child Development Fund is used to account separately for Federal, State, and local revenues to operate child development programs and is to be used only for expenditures for the operation of child development programs.

Debt Service Fund for Blended Component Units The Debt Service Fund for Blended Component Units is used to account for the accumulation of resources for the payment of principal and interest on bonds issued by Mello-Roos Community Facilities Districts and similar entities that are considered blended component units of the District under generally accepted accounting principles (GAAP).

Non-Major Governmental Funds

Special Revenue Funds The Special Revenue funds are used to account for the proceeds from specific revenue sources (other than trusts, major capital projects, or debt service) that are restricted or committed to the financing of particular activities that compose a substantial portion of the inflows of the fun, and that are reasonably expected to continue. Additional resources that are restricted, committed, or assigned to the purpose of the fund may also be reported in the fund.

Adult Education Fund The Adult Education Fund is used to account separately for Federal, State, and local revenues that are restricted or committed for adult education programs and is to be expended for adult education purposes only.

Cafeteria Fund The Cafeteria Fund is used to account separately for Federal, State, and local resources to operate the food service program (Education Code Sections 38090-38093) and is used only for those expenditures authorized by the governing board as necessary for the operation of the District's food service program (Education Code Sections 38091 and 38100).

Capital Project Funds The Capital Project funds are used to account for financial resources that are restricted, committed, or assigned to the acquisition or construction of major capital facilities and other capital assets (other than those financed by proprietary funds and trust funds).

Building Fund The Building Fund exists primarily to account separately for proceeds from the sale of bonds (*Education Code* Section 15146) and may not be used for any purposes other than those for which the bonds were issued.

Capital Facilities Fund The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and *Government Code* Section 65995 et seq.). Expenditures are restricted to the purposes specified in *Government Code* Sections 65970-65981 or to the items specified in agreements with the developer (*Government Code* Section 66006).

County School Facilities Fund The County School Facilities Fund is established pursuant to *Education Code* Section 17070.43 to receive apportionments from the 1998 State School Facilities Fund (Proposition 1A), the 2002 State School Facilities Fund (Proposition 47), the 2004 State School Facilities Fund (Proposition 55), the 2006 State School Facilities Fund (Proposition 1D), or the 2016 State School Facilities Fund (Proposition 51) authorized by the State Allocation Board for new school facility construction, modernization projects, and facility hardship grants, as provided in the Leroy F. Greene School Facilities Act of 1998 (*Education Code* Section 17070 et seq.).

Special Reserve Fund for Capital Outlay Projects The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Debt Service Funds The Debt Service funds are used to account for the accumulation of resources for and the retirement of principle and interest on general long-term obligations.

Bond Interest and Redemption Fund The Bond Interest and Redemption Fund is used for the repayment of bonds issued for a District (*Education Code* Sections 15125-15262).

Fiduciary Funds Fiduciary funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the District's own programs. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. The key distinction between trust and agency funds is that trust funds are subject to a trust agreement that affects the degree of management involvement and the length of time that the resources are held.

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the District's own programs. The District has no trust funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency funds account for associated student body (ASB) activities.

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. 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.

The government-wide financial Statement of Activities presents a comparison between expenses, both direct and indirect, and for each governmental program. 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 the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program is self-financing or draws from the general revenues of the District.

Net position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net asset use.

Fund Financial Statements Fund financial statements report 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.

Governmental Funds All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliation with brief explanations to better identify the relationship between the government-wide financial statements and the statements for the governmental funds on a modified accrual basis of accounting and the current financial resources measurement focus. Under this basis, revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

Fiduciary Funds Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that 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. Generally, available is defined as collectible within 60 days.

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 for Districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned Revenue Unearned revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

Certain grants received before the eligibility requirements are met are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period are also recorded as unearned revenue.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in 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, and typically paid within 90 days. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the government-wide statements.

Investments

Investments held at June 30, 2018, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in the county investment pool are determined by the program sponsor.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the weighted average basis. The costs of inventory items are recorded as expenditures in the governmental type funds.

Other Current Assets

Other current assets consist of Earned Salary Advanced in which an employee receives approximately one-half of the employee’s net pay for the month. The warrant issued in the following month is the final pay warrant for the difference.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the District. The District maintains a capitalization threshold of $5,000. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

When purchased, such assets are recorded as expenditures in the governmental funds and capitalized in the government-wide financial Statement of Net Position. The valuation basis for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated.

Capital assets in the proprietary funds are capitalized in the fund in which they are utilized. The valuation basis for proprietary fund capital assets is the same as those used for the capital assets of governmental funds.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings and portables, 25 to 50 years; improvements, 20 years; equipment, 5 to 15 years.

Compensated Absences

Compensated absences are accrued as a liability as the benefits are earned. The entire compensated absence liability is reported on the government-wide Statement of Net Position. For governmental funds, the current portion of unpaid compensated absences is recognized upon the occurrence of relevant events such as employee resignations and retirements that occur prior to year-end that have not yet been paid with expendable available financial resources. These amounts are reported in the fund from which the employees who have accumulated leave are paid.

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave. Employees are never paid for any sick leave balance at termination of employment or any other time. Therefore, the value of accumulated sick leave is not recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave. Credit for unused sick leave is applicable to all certificated employees and is determined by dividing the number of unused sick days by the number of base service days required to complete the last school year, if employed full-time.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments, compensated absences, special termination benefits, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the governmental fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases are recognized as liabilities in the governmental fund financial statements when due.

Deferred Issuance Costs, Premiums, and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight line method.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt and for pension related items.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The District reports deferred inflows of resources for pension related items and for OPEB related items.

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California State Teachers Retirement System (CalSTRS) and the California Public Employees' Retirement System (CalPERS) plan for schools (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalSTRS and CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Member contributions are recognized in the period in which they are earned. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net 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 CalSTRS Medicare Premium Payment Program (MPP) and additions to/deductions from MPP's fiduciary net position have been determined on the same basis as they are reported by MPP. For this purpose, MPP recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Fund Balances - Governmental Funds

As of June 30, 2018, fund balances of the governmental funds are classified as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the District's adopted policy, only the governing board or chief business officer/assistant superintendent of business services may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

Spending Order Policy

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Minimum Fund Balance Policy

In fiscal year 2017-2018 the governing board adopted a minimum fund balance policy for the General Fund in order to protect the District against revenue shortfalls or unpredicted one-time expenditures. The policy requires a Reserve for Economic Uncertainties consisting of unassigned amounts equal to no less than three percent of General Fund expenditures and other financing uses.

Net Position

Net position represents the difference between assets and liabilities. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report $23,958,750 of restricted net position.

Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

Property Tax

Secured property taxes attach as an enforceable lien on property as of January 1. Taxes are payable in two installments on November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. The County of Los Angeles bills and collects the taxes on behalf of the District. Local property tax revenues are recorded when received.

Change in Accounting Principles

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In March 2017, the GASB issued Statement No. 85, *Omnibus 2017.* The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation;
- Reporting amounts previously reported as goodwill and "negative" goodwill;
- Classifying real estate held by insurance entities;
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost;

- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus;
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements;
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB;
- Classifying employer-paid member contributions for OPEB;
- Simplifying certain aspects of the alternative measurement method for OPEB;
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

The District has implemented the provisions of this Statement as of June 30, 2018.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues.* The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

The District has implemented the provisions of this Statement as of June 30, 2018.

New Accounting Pronouncements

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations.* This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation, or acquiring a tangible capital asset that has an existing ARO.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Early implementation is encouraged.

In June 2017, the GASB issued Statement No. 87, *Leases.* 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 increases the usefulness of governments' financial statements by requiring 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.

The requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Early implementation is encouraged.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements,* which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively.

NOTE 2 - DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2018, were classified in the accompanying financial statements as follows:

Governmental activities	$ 80,459,053
Fiduciary funds	582,943
Total Deposits and Investments	$ 81,041,996

Deposits and investments as of June 30, 2018, consisted of the following:

Cash on hand and in banks	$ 716,072
Cash in revolving	80,000
Investments	80,245,924
Total Deposits and Investments	$ 81,041,996

Policies and Practices

The District is authorized under California *Government Code* to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations. Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated in the schedules below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	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% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

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 value to changes in market interest rates. The District does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The District manages its exposure to interest rate risk by investing in the Los Angeles County Treasury Investment Pool.

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Information about the weighted average maturity of the District's portfolio is presented in the following schedule:

Investment Type	Reported Amount	Weighted Average Maturity In Days
U.S. Treasuries	$ 10,801,278	26
Los Angeles County Treasury Investment Pool	69,444,646	609
Total	$ 80,245,924	

Credit Risk

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 District's investment in the Los Angeles County Treasury Investment Pool is not required to be rated, nor has been rated as of June 30, 2018.

Investment Type	Minimum Legal Rating	Rating June 30, 2018	Fair Value
U.S. Treasuries	Not Required	Not Rated	$ 10,801,278
Los Angeles County Treasury Investment Pool	Not Required	Not Rated	69,444,646
Total Investments			$ 80,245,924

Custodial Credit Risk – Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California *Government Code* requires that a financial institution secure deposits 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 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, the District's bank balance of $1,499,453 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 - FAIR VALUE MEASUREMENTS

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value. The following provides a summary of the hierarchy used to measure fair value:

Level 1 **-** Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 **-** Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 **-** Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

Uncategorized **-** Investments in the Los Angeles County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at $1.00 net asset value per share.

The District's fair value measurements are as follows at June 30, 2018:

Investment Type	Reported Amount	Uncategorized
U.S. Treasuries	$ 10,801,278	$ 10,801,278
Los Angeles County Treasury Investment Pool	69,444,646	69,444,646
Total	$ 80,245,924	$ 80,245,924

All assets have been valued using a market approach, with quoted market prices.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2018, consisted of intergovernmental grants, entitlements, interest, and other local sources. All receivables are considered collectible in full.

	General Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Activities
Federal Government				
Categorical aid	$ 4,218,581	$ 4,638,188	$ 395,993	$ 9,252,762
State Government				
Categorical aid	622,952	10,877	16,994	650,823
Lottery	346,598	-	-	346,598
Local Government				
Interest	190,098	-	52,263	242,361
Other Local Sources	265,837	-	3,198	269,035
Total	$ 5,644,066	$ 4,649,065	$ 468,448	$ 10,761,579

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2018, was as follows:

	Balance July 1, 2017	Additions	Deductions	Balance June 30, 2018
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 17,267,467	$ -	$ -	$ 17,267,467
Capital assets being depreciated:				
Land improvements	16,626,945	-	-	16,626,945
Buildings and improvements	298,077,636	2,952,188	-	301,029,824
Furniture and equipment	9,944,224	366,845	11,302	10,299,767
Vehicles	3,540,709	246,080	-	3,786,789
Total Capital Assets Being Depreciated	328,189,514	3,565,113	11,302	331,743,325
Less Accumulated Depreciation:				
Land improvements	7,837,980	831,347	-	8,669,327
Buildings and improvements	149,050,979	6,848,562	-	155,899,541
Furniture and equipment	4,341,092	912,632	11,302	5,242,422
Vehicles	2,922,265	189,339	-	3,111,604
Total Accumulated Depreciation	164,152,316	8,781,880	11,302	172,922,894
Governmental Activities Capital Assets, Net	$181,304,665	$ (5,216,767)	$ -	$176,087,898

Depreciation expense was charged to governmental functions as follows:

Governmental Activities	
Instruction	$ 5,894,064
Supervision of instruction	544,433
Instructional library, media, and technology	101,904
School site administration	563,604
Home-to-school transportation	90,919
All other pupil services	259,689
Data processing	126,046
All other general administration	202,063
Plant services	999,158
Total Accumulated Depreciation	$ 8,781,880

NOTE 6 - INTERFUND TRANSACTIONS

Operating Transfers

Interfund transfers for the year ended June 30, 2018, consisted of the following:

	Transfer From		
Transfer To	General Fund	Non-Major Governmental Funds	Total
Debt Service Fund for Blended Component Units	$ 1,781,983	-	$ 1,781,983
Non-Major Governmental Funds	2,259,578	$ 402,829	2,662,407
Total	$ 4,041,561	$ 402,829	$ 4,444,390

The General Fund transferred to the Adult Education Fund (Non-Major Governmental Fund) to cover operating costs.	$ 786,578
The General Fund transferred to the Special Reserve Fund for Capital Outlay Projects Non Major Governmental Fund for school site turf renovation and fire alarm replacement reserve.	1,473,000
The General Fund transferred to the Debt Service Fund for Blended Component Units for debt service payments.	1,781,983
The County School Facilities Non-Major Governmental Fund transferred to the Building Non-Major Governmental Fund for reimbursement of construction costs	402,829
Total	$ 4,444,390

Interfund transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2018, consisted of the following:

	General Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Activities
Vendor payables	$ 4,307,563	$ 284,592	$ 73,659	$ 4,665,814
State principal apportionment	5,326,268	-	-	5,326,268
Salaries and benefits	9,014,717	714,052	400,954	10,129,723
Construction	-	300,165	49,653	349,818
Total	$ 18,648,548	$ 1,298,809	$ 524,266	$ 20,471,623

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2018, consisted of the following:

	General Fund	Child Development Fund	Non-Major Governmental Funds	Total Governmental Activities
Other local	$ 120,188	44,858	$ 26,671	$ 191,717

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

The changes in the District's long-term obligations during the year consisted of the following:

	Balance July 1, 2017 (as restated)	Additions	Deductions	Balance June 30, 2018	Due in One Year
General Obligation Bonds	$ 113,563,460	$ 2,334,096	$ 3,800,000	$ 112,097,556	$ 3,165,000
Premium on issuance	12,797,099	-	585,963	12,211,136	-
2010 Lease Revenue Bonds Series B	25,000,000	-	-	25,000,000	-
Discount on issuance	(356,471)	-	(35,647)	(320,824)	-
2016 Lease Revenue Refunding Bonds	3,775,000	-	95,000	3,680,000	105,000
Premium on issuance	96,726	-	4,837	91,889	-
Compensated absences	93,537	14,127	-	107,664	-
Capital leases	531,390	-	127,492	403,898	130,998
Supplemental Employee Retirement Plan	-	5,667,190	-	5,667,190	1,133,438
OPEB obligation	24,656,004	-	226,566	24,429,438	-
	$ 180,156,745	$ 8,015,413	$ 4,804,211	$ 183,367,947	$ 4,534,436

- Payments on the General Obligation Bonds are made in the Bond Interest and Redemption Fund
- Payments on the 2010 Lease Revenue Bonds, and the 2016 Lease Revenue Refunding Bonds are made by the Debt Service Fund for Blended Component Units.
- Payments for Compensated Absences are typically liquidated in the fund in which the employee was paid.
- Payments for the Capital Lease Obligations are made by the General Fund.
- Payments on the Supplemental Employee Retirement Plan are made by the General Fund.
- Payments for the OPEB Obligation are made by the General Fund.

General Obligation Bonds

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2017	Accretion / Proceeds	Redeemed	Bonds Outstanding June 30, 2018
8/1/96	2018	5.20-5.95%	$ 5,324,869	$ 1,232,794	$ 22,206	$ 1,255,000	$ -
6/1/04	2028	2.95-7.25%	9,787,598	7,974,699	446,958	800,000	7,621,657
10/19/05	2033	3.00-5.10%	4,998,699	5,734,323	311,810	-	6,046,133
5/3/07	2018	4.00-5.00%	25,000,000	645,000	-	645,000	-
6/26/08	2019	2.17-6.16%	14,995,182	757,866	22,946	350,000	430,812
12/18/2013	2053	5.00-12.00%	23,736,780	28,438,778	1,530,176	30,000	29,938,954
5/25/2016	2038	2.00%-4.00%	68,780,000	68,780,000	-	720,000	68,060,000
				$ 113,563,460	$ 2,334,096	$ 3,800,000	$ 112,097,556

1996 General Obligations Bonds

In August 1996, the District issued $5,324,869 in 1996 General Obligations Bonds. Proceeds from the bonds will be used to finance the addition and modernization of school facilities. At June 30, 2018, the principal balance outstanding has been paid off.

Election 2002, Series 2004 General Obligation Bonds

In June 2004, the District issued $9,787,598 in Election 2002, Series 2004 General Obligation Bonds. Proceeds from the bonds will be used to finance the addition and modernization of school facilities. At June 30, 2018, the principal balance outstanding was $7,621,657 with accreted interest of $2,863,343 for a total of $10,485,000.

The outstanding general obligation bonded debt is as follows:

Year Ending June 30,	Principal Including Accreted Interest to Date	Future Accreted Interest	Total
2019	$ 828,664	$ 11,336	$ 840,000
2020	823,311	56,689	880,000
2021	814,891	105,109	920,000
2022	812,519	157,481	970,000
2023	803,654	211,346	1,015,000
2024-2028	3,538,618	2,321,382	5,860,000
Total	$ 7,621,657	$ 2,863,343	$ 10,485,000

Election 2002, Series 2005 General Obligation Bonds

In October 2005, the District issued $4,998,699 in Election 2002, Series 2005 General Obligation Bonds. Proceeds from the bonds will be used to finance the construction and modernization of school facilities. At June 30, 2018, the principal balance outstanding was $6,046,133 with accreted interest of $4,363,867 for a total of $10,410,000.

The outstanding general obligation bonded debt is as follows:

Year Ending June 30,	Principal Including Accreted Interest to Date	Future Accreted Interest	Total
2019	$ -	$ -	$ -
2020	-	-	-
2021	-	-	-
2022	-	-	-
2023	-	-	-
2024-2028	2,535,332	1,094,668	3,630,000
2029-2033	3,510,801	3,269,199	6,780,000
Total	$ 6,046,133	$ 4,363,867	$ 10,410,000

Election 2006, Series 2007 General Obligation Bonds

In May 2007, the District issued $25,000,000 in Election 2006, Series 2007 General Obligation Bonds. Proceeds from the bonds will be used to finance the construction and modernization of school facilities. At June 30, 2018, the principal balance outstanding has been paid off.

Election 2006, Series 2008 General Obligation Bonds

In June 2008, the District issued $14,995,182 in Election 2006, Series 2008 General Obligation Bonds. Proceeds from the bonds will be used to finance the construction and modernization of school facilities. At June 30, 2018, the principal balance outstanding was $430,812 with accreted interest of $4,188 for a total of $435,000.

The outstanding general obligation bonded debt is as follows:

Year Ending June 30,	Principal	Future Accreted Interest	Total
2019	$ 430,812	$ 4,188	$ 435,000

Election 2006, Series 2013 General Obligation Bonds

In December 2013, the District issued $23,736,780 in Election 2006, Series 2013 General Obligation Bonds. Proceeds from the bonds will be used to pay the District's outstanding 2009 General Obligation Bond Anticipation Notes which was issued to finance the repair, upgrading, acquisition, construction, and equipping of certain District properties and facilities. At June 30, 2018, the principal balance outstanding was $29,938,954 with accreted interest of $143,651,046 for a total of $173,590,000.

The outstanding general obligation bonded debt is as follows:

Year Ending June 30,	Principal Including Accreted Interest to Date	Future Accreted Interest	Current Interest	Total
2019	$ 54,558	$ 442	$ 442,750	$ 497,750
2020	75,041	9,959	442,750	527,750
2021	98,215	26,785	442,750	567,750
2022	111,886	48,114	442,750	602,750
2023	124,474	75,526	442,750	642,750
2024-2028	713,564	946,436	2,213,750	3,873,750
2029-2033	735,580	2,299,420	2,213,750	5,248,750
2034-2038	881,966	6,023,034	2,213,750	9,118,750
2039-2043	7,717,098	27,987,902	2,213,750	37,918,750
2044-2048	14,014,662	46,080,338	380,500	60,475,500
2049-2053	5,411,910	60,153,090	-	65,565,000
Total	$ 29,938,954	$ 143,651,046	$ 11,449,250	$ 185,039,250

2016 General Obligation Refunding Bonds

In May 2016, the District issued $68,780,000 in 2016 General Obligation Refunding Bonds. Proceeds from the Bonds were used to currently refund a portion of the following outstanding General Obligation Bonds of the District and to pay the costs of issuing the Bonds: 2001 Refunding General Obligation Bonds, 2005 General Obligation Refunding Bonds, General Obligation Bonds, Election of 2002, series 2005, General Obligation Bonds, Election of 2002, Series 2006, General Obligation Bonds, Election of 2006, Series 2007, and General Obligation Bonds, Election of 2006, Series 2008. The Bonds mature August 1, 2037 and yield interest of 2.00 to 4.00 percent. The refunding resulted in a cumulative cash flow savings of $12,591,081 over the life of the new debt and an economic gain of $755,132 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 17.04 percent. At June 30, 2018, the principal balance outstanding was $68,060,000, premium on issuance was $12,211,136, and deferred charge on refunding was $6,476,460.

The outstanding general obligation bonded debt is as follows:

Year Ending June 30,	Principal	Current Interest	Total
2019	$ 1,835,000	$ 2,861,375	$ 4,696,375
2020	2,535,000	2,783,150	5,318,150
2021	2,850,000	2,675,450	5,525,450
2022	3,180,000	2,554,850	5,734,850
2023	2,845,000	2,434,350	5,279,350
2024-2028	13,025,000	10,277,875	23,302,875
2029-2033	26,470,000	6,104,975	32,574,975
2034-2038	15,320,000	1,268,375	16,588,375
Total	$ 68,060,000	$ 30,960,400	$ 99,020,400

2010 Lease Revenue Bonds - Qualified School Construction Bond Series 2010 A and Series 2010 B (QZAB)

The District issued $25,525,000 of Lease Revenue Bonds dated July 15, 2010. The Bonds mature on June 1, 2027, and yield interest ranging between 2.00 and 7.00 seven percent. The Bonds are being issued to finance certain public capital improvements, fund capitalized interest on a portion of the Bond, and pay the costs of issuance of the Bonds. Interest on a portion of the Bonds is payable semi-annually on June 1 and December 1, commencing on December 1, 2010. At June 30, 2018, the outstanding balance was $25,000,000, and a discount on issuance was $320,824.

The payment schedule for these bonds is as follows:

Year Ending June 30,	Principal	Interest to Maturity	Total
2019	$ -	$ 1,750,000	$ 1,750,000
2020	-	1,750,000	1,750,000
2021	-	1,750,000	1,750,000
2022	-	1,750,000	1,750,000
2023	-	1,750,000	1,750,000
2024-2027	25,000,000	7,000,000	32,000,000
Total	$ 25,000,000	$ 15,750,000	$ 40,750,000

2016 Lease Revenue Refunding Bonds

In June 2016, the District issued $3,885,000 in 2016 Lease Revenue Refunding Bonds through the Baldwin Park/Monrovia School Facilities Grant Financing Authority. Proceeds from the Bonds were used to refund the Authority's 2002 Lease Revenue Bonds for the District. The Bonds mature October 1, 2036 and yield interest of 2.00 to 3.125 percent. The refunding resulted in a cumulative cash flow savings of $504,926 over the life of the new debt and an economic gain of $32,063 based on the difference between the present value of the existing debt service requirements and the new debt service requirements discounted at 13.39 percent. At June 30, 2018, the principal balance outstanding was $3,680,000, premium on issuance was $91,889 and deferred charge on refunding was $40,712.

The payment schedule for these bonds is as follows:

Year Ending June 30,	Principal	Interest to Maturity	Total
2019	$ 105,000	$ 111,206	$ 216,206
2020	105,000	108,581	213,581
2021	115,000	105,281	220,281
2022	125,000	101,681	226,681
2023	135,000	97,781	232,781
2024-2028	825,000	422,356	1,247,356
2029-2033	1,125,000	264,806	1,389,806
2034-2037	1,145,000	73,455	1,218,455
Total	$ 3,680,000	$ 1,285,147	$ 4,965,147

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2018, amounted to $107,664.

Capital Leases

The District has entered into agreements to lease various facilities and equipment. Such agreements are, in substance, purchases (capital leases) and are reported as capital lease obligations. The District's liability on lease agreements with options to purchase is summarized below:

	Data Center
Balance, July 1, 2017	$ 568,420
Payments	142,105
Balance, June 30, 2018	$ 426,315

Year Ending June 30,	Data Center
2019	$ 142,105
2020	142,105
2021	142,105
Total	426,315
Less: Amount Representing Interest	22,417
Present Value of Minimum Lease Payments	$ 403,898

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2018, include the following:

Vehicles & Equipment	$ 721,773
Less: Accumulated depreciation	(317,676)
Total	$ 404,097

Amortization of leased buildings and equipment under capital assets is included with depreciation expense.

Supplemental Early Retirement Program

The District offered an early retirement incentive to qualify employees under a qualified plan of Section 401A of the internal Revenue Code. The retiree receives an annual benefit in five equal installments. Currently, there are 64 employees participating in this plan, and the District's obligation to those retirees as of June 30, 2018, is $5,667,190.

Year Ending June 30,	Annual Payment
2019	$ 1,133,438
2020	1,133,438
2021	1,133,438
2022	1,133,438
2023	1,133,438
Total	$ 5,667,190

Net Other Post Employment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2018, the District reported net OPEB liability, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Net OPEB Liability	Deferred Inflows of Resources	OPEB Expense
District Plan	$ 23,273,020	$ 851,812	$ 745,502
Medicare Premium Payment (MPP) Program	1,156,418	-	(120,256)
Total	$ 24,429,438	$ 851,812	$ 625,246

The details of each plan are as follows:

District Plan

Plan administration

The District's Governing Board administers the Postemployment Benefits Plan (the Plan). The Plan is a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria of GASB Statement No. 75.

Plan membership

At June 30, 2017, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	103
Active employees	1,703
	1,806

Benefits provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the plan. The Baldwin Park benefit terms as contained within the negotiated labor agreements.

Contributions

The contribution requirements of Plan members and the District are established and may be amended by the District and the Baldwin Park Education Association (BPEA), the local California Service Employees Association (CSEA), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements with the District, BPEA, CSEA, and the unrepresented groups. For fiscal year 2017-2018, the District contributed $889,620 to the Plan which was used for current premiums.

Total OPEB Liability of the District

The District's total OPEB liability of $23,273,020 was measured as of June 30, 2018, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.00 percent, average, including inflation
Discount rate	3.62 percent
Health care cost trend rates	5.00 percent for 2018

The discount rate was based on the Bond Buyer 20-bond General Obligation Index.

Mortality rates were based on the 2009 CalSTRS Mortality Table for certificated employees and the 2014 CalPERS Active Mortality for Miscellaneous Employees Table for classified employees. Mortality rates vary by age and sex. (Unisex mortality rates are not often used as individual OPEB benefits do not depend on the mortality table used.) If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actual assumptions used in the June 30, 2018 valuation were based on the results of an actual experience study for the period July 1, 2017 to June 30, 2018.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2017	$ 23,379,330
Service cost	1,033,851
Interest	717,958
Changes of assumptions or other inputs	(968,499)
Benefit payments	(889,620)
Net change in total OPEB liability	(106,310)
Balance at June 30, 2018	$ 23,273,020

Changes of assumptions and other inputs reflect a change in the discount rate from 3.13 percent in 2017 to 3.62 percent in 2018.

Sensitivity of the total OPEB liability to changes in the discount rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Total OPEB Liability
1% decrease (2.62%)	$ 25,285,953
Current discount rate (3.62%)	23,273,020
1% increase (4.62%)	21,406,697

Sensitivity of the 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 District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Health Care Cost Trend Rates	Total OPEB Liability
1% decrease (4.00%)	$ 21,096,928
Current healthcare cost trend rate (5.00%)	23,273,020
1% increase (6.00%)	25,773,946

OPEB Expense and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2018, the District recognized OPEB expense of $745,502. At June 30, 2018, the District reported deferred inflow of resources of $851.812 related to the changes of assumptions.

Amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ (116,687)
2020	(116,687)
2021	(116,687)
2022	(116,687)
2023	(116,687)
Thereafter	(268,377)
	$ (851,812)

Medicare Premium Payment (MPP) Program

Plan Description

The Medicare Premium (MPP) Program is administered by the California State Teachers' Retirement System (CalSTRS). The MPP Program is a cost-sharing multiple-employer other postemployment benefit plan (OPEB) established pursuant to Chapter 1032, Statutes 2000 (SB 1435). CalSTRS administers the MPP Program through the Teachers' Health Benefits Fund (THBF).

A full description of the MPP Program regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Medicare Premium Payment Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The MPP Program pays Medicare Part A premiums and Medicare Parts A and B late enrollment surcharges for eligible members of the STRP DB Program who were retired or began receiving a disability allowance prior to July 1, 2012 and were not eligible for premium free Medicare Part A. The payments are made directly to the Centers for Medicare and Medicaid Services (CMS) on a monthly basis.

The MPP Program is closed to new entrants as members who retire after July 1, 2012, are not eligible for coverage under the MPP Program.

Contributions

The MPP Program is funded on a pay-as-you go basis from a portion of monthly District's contributions. In accordance with California Education Code Section 25930, contributions that would otherwise be credited to the DB Program each month are instead credited to the MPP Program to fund monthly program and administrative costs. Total redirections to the MPP Program are monitored to ensure that total incurred costs do not exceed the amount initially identified as the cost of the program.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to the OPEB

At June 30, 2018, the District reported a liability of $1,156,418 for its proportionate share of the net OPEB liability for the MPP Program. The net OPEB liability was measured as of June 30, 2016, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, was 0.2749 percent and 0.2728 percent, respectively, resulting in a net increase in proportionate share of 0.0021 percent.

For the year ended June 30, 2018, the District recognized OPEB expense of $(120,256).

Actuarial Methods and Assumptions

The total OPEB liability for the MPP Program as of June 30, 2016 was determined based on a financial reporting actuarial valuation that used the June 30, 2016 assumptions presented in the table below. The June 30, 2017 total OPEB liability was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total OPEB liability to June 30, 2017 using the assumptions listed in the following table:

Measurement Date	June 30, 2017	June 30, 2016
Valuation Date	June 30, 2016	June 30, 2016
Experience Study	July 1, 2010 through June 30, 2016	July 1, 2010 through June 30, 2015
Actuarial Cost Method	Entry age normal	Entry age normal
Investment Rate of Return	3.58%	2.85%
Medicare Part A Premium Cost Trend Rate	3.70%	3.70%
Medicare Part B Premium Cost Trend Rate	4.10%	4.10%

For the valuation as of June 30, 2016, CalSTRS used custom mortality tables based on RP2000 Series tables issued by the Society of Actuaries, adjusted to fit CalSTRS specific experience through June 30, 2015. For the valuation as of June 30, 2017, CalSTRS changed the mortality assumptions based on the July 1, 2010, through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS now uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

Assumptions were made about future participation (enrollment) into the MPP Program because CalSTRS is unable to determine which members not currently participating meet all eligibility criteria for enrollment in the future. Assumed enrollment rates were derived based on past experience and are stratified by age with the probability of enrollment diminishing as the members' age increases. This estimated enrollment rate was then applied to the population of members who may meet criteria necessary for eligibility and are not currently enrolled in the MPP Program. Based on this, the estimated number of future enrollments used in the financial reporting valuation was 571 or an average of 0.32 percent of the potentially eligible population (177,763).

The MPP Program is funded on a pay-as-you-go basis with contributions generally being made at the same time and in the same amount as benefit payments and expenses coming due. Any funds within the MPP Program as of June 30, 2017 and 2016, were to manage differences between estimated and actual amounts to be paid and were invested in the Surplus Money Investment Fund, which is a pooled investment program administered by the State Treasurer.

Discount Rate

The discount rate used to measure the total OPEB liability as of June 30, 2017 and 2016 was 3.58 percent and 2.85 percent, respectively. The MPP Program is funded on a pay-as-you-go basis as described in Note 1, and under the pay-as-you-go method, the OPEB plan's fiduciary net position was not projected to be sufficient to make projected future benefit payments. Therefore, a discount rate of 3.58 percent and 2.85 percent, which is the Bond Buyer 20-Bond GO Index from Bondbuyer.com as of June 30, 2017 and 2016, respectively, was applied to all periods of projected benefit payments to measure the total OPEB liability.

Sensitivity of the District's proportionate share of the net OPEB liability to changes in the discount rate. The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net OPEB Liability
1% decrease (2.58%)	$ 1,280,235
Current discount rate (3.58%)	1,156,418
1% increase (4.58%)	1,035,979

Sensitivity of the District's proportionate share of the net/total OPEB liability to changes in the Medicare costs trend rates. The following presents the District's proportionate share of the net OPEB liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Medicare Costs Trend Rate	Net OPEB Liability
1% decrease (2.7% Part A and 3.1% Part B)	$ 1,045,001
Current medicare costs trend rate (3.7% Part A and 4.1% Part B)	1,156,418
1% increase (4.7% Part A and 5.1% Part B)	1,266,723

NOTE 10 - FUND BALANCES

Fund balances were composed of the following elements:

NOTE 11 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The District purchases commercial insurance for property damage with coverage up to a maximum of $300 million, subject to various policy sub limits generally ranging from $1 million to $50 million and deductibles ranging from $25,000 to $300,000 per occurrence. The District also purchases commercial insurance for general liability claims with coverage up to $1 million per occurrence and $2 million aggregate, with excess liability coverage over $25 million, all subject to various deductibles up to $20,000 per occurrence and per employee policy limit, subject to a deductible of $100,000 per occurrence per claim, up to a maximum of $1.5 million for 2009. Employee health benefits are covered by a commercial insurance policy purchased by the District. The District provides health insurance benefits to District employees electing to participate in the plan by paying a monthly premium based on the number of District employees participating in the plan.

The District's risk management activities are recorded in the General Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance. The District participates in the San Gabriel Valley School Districts' Self-Insurance Authority for liability and property coverage, the East San Gabriel Valley Regional Occupational Program and the San Gabriel Valley School Districts' Self-Insurance Authority public entity risk pools (JPAs) for the workers' compensation programs and purchases excess liability coverage through the JPAs. Refer to Note 14 for additional information regarding the JPAs.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple-employer defined benefit pension plans maintained by agencies of the State of California. Academic employees are members of the California State Teachers' Retirement System (CalSTRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

For the fiscal year ended June 30, 2018, the District reported net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 140,410,987	$ 46,271,425	$ 9,661,679	$ 15,060,572
CalPERS	68,861,829	22,104,366	1,042,786	13,227,167
Total	$ 209,272,816	$ 68,375,791	$ 10,704,465	$ 28,287,739

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

The District contributes to the State Teachers Retirement Plan (STRP) administered by the California State Teachers' Retirement System (CalSTRS). STRP is a cost-sharing multiple-employer public employee retirement system defined benefit pension plan. Benefit provisions are established by State statutes, as legislatively amended, within the State Teachers' Retirement Law.

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2016, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

The STRP provides retirement, disability and survivor benefits to beneficiaries. Benefits are based on members' final compensation, age, and years of service credit. Members hired on or before December 31, 2012, with five years of credited service are eligible for the normal retirement benefit at age 60. Members hired on or after January 1, 2013, with five years of credited service are eligible for the normal retirement benefit at age 62. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service.

The STRP is comprised of four programs: Defined Benefit Program, Defined Benefit Supplement Program, Cash Balance Benefit Program, and Replacement Benefits Program. The STRP holds assets for the exclusive purpose of providing benefits to members and beneficiaries of these programs. CalSTRS also uses plan assets to defray reasonable expenses of administering the STRP. Although CalSTRS is the administrator of the STRP, the State is the sponsor of the STRP and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRP.

The District contributes exclusively to the STRP Defined Benefit Program, thus disclosures are not included for the other plans.

The STRP provisions and benefits in effect at June 30, 2018, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 Years of Service	5 Years of Service
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	9.205%
Required employer contribution rate	14.43%	14.43%
Required State contribution rate	9.328%	9.328%

Contributions

Required member, District, and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payrolls using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2018, are presented above and the District's total contributions were $12,227,295.

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

At June 30, 2018, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State 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:

Total Net Pension Liability, Including State Share:

District's proportionate share of the net pension liability	$ 140,410,987
State's proportionate share of the net pension liability associated with the District	83,065,954
Total	$ 223,476,941

The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, respectively, was 0.1518 percent and 0.1534 percent, resulting in a net decrease in the proportionate share of 0.0016 percent.

For the year ended June 30, 2018, the District recognized pension expense of $15,060,572. In addition, the District recognized pension expense and revenue of $8,361,386 for support provided by the State. At June 30, 2018, 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
Pension contributions subsequent to measurement date	$ 12,227,295	$ -
Net change in proportionate share of net pension liability	7,512,102	3,473,149
Difference between projected and actual earnings on pension plan investments	-	3,739,536
Differences between expected and actual experience in the measurement of the total pension liability	519,253	2,448,994
Changes of assumptions	26,012,775	-
Total	$ 46,271,425	$ 9,661,679

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2019	$ (3,108,815)
2020	2,352,456
2021	339,210
2022	(3,322,387)
Total	$ (3,739,536)

The deferred outflows/ (inflows) of resources related to the net change in proportionate share of net pension liability, differences between expected and actual experience in the measurement of the total pension liability and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement periods is 7 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 5,092,562
2020	5,092,562
2021	5,092,562
2022	5,092,566
2023	3,499,218
Thereafter	4,252,517
Total	$ 28,121,987

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among its members. The projection scale was set equal to 110 percent of the ultimate improvement factor from the Mortality Improvement Scale (MP-2016) table, issued by the Society of Actuaries.

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 (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) 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, 2017, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	6.30%
Fixed income	12%	0.30%
Real estate	13%	5.20%
Private equity	13%	9.30%
Absolute Return/Risk Mitigating Strategies	9%	2.90%
Inflation sensitive	4%	3.80%
Cash/liquidity	2%	-1.00%

Discount Rate

The discount rate used to measure the total pension liability was 7.10 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.10 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP'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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount Rate	Net Pension Liability
1% decrease (6.10%)	$ 206,167,906
Current discount rate (7.10%)	140,410,987
1% increase (8.10%)	87,044,791

California Public Employees Retirement System (CalPERS)

Plan Description

Qualified employees are eligible to participate in the School Employer Pool (SEP) and the Safety Risk Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law.

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2015 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety. These reports and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

CalPERS provide service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of service credit, a benefit factor, and the member's final compensation. Members hired on or before December 31, 2012, with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Members hired on or after January 1, 2013, with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The Basic Death Benefit is paid to any member's beneficiary if the member dies while actively employed. An employee's eligible survivor may receive the 1957 Survivor Benefit if the member dies while actively employed, is at least age 50 (or 52 for members hired on or after January 1, 2013), and has at least five years of credited service. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The CalPERS provisions and benefits in effect at June 30, 2018, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 Years of Service	0
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	6.50%
Required employer contribution rate	15.531%	15.531%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The 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 is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2018, are presented above and the total District contributions were $6,063,193.

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

As of June 30, 2018, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $68,861,829. The net pension liability was measured as of June 30, 2017. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2017 and June 30, 2016, respectively, was 0.2885 percent and 0.2904 percent, resulting in a net decrease in the proportionate share of 0.0019 percent.

For the year ended June 30, 2018, the District recognized pension expense of $13,227,167. At June 30, 2018, 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
Pension contributions subsequent to measurement date	$ 6,063,193	$ -
Net change in proportionate share of net pension liability	1,133,636	232,023
Difference between projected and actual earnings on pension plan investments	2,382,148	-
Differences between expected and actual experience in the measurement of the total pension liability	2,467,036	-
Changes of assumptions	10,058,353	810,763
Total	$ 22,104,366	$ 1,042,786

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows of Resources
2019	$ (64,549)
2020	2,748,482
2021	1,002,678
2022	(1,304,463)
Total	$ 2,382,148

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement periods is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2019	$ 4,673,573
2020	4,536,022
2021	3,406,644
Total	$ 12,616,239

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2016, and rolling forward the total pension liability to June 30, 2017. The financial reporting actuarial valuation as of June 30, 2016, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2016
Measurement date	June 30, 2017
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

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 returns were calculated over the short-term (first ten 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 rounded 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 target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	5.38%
Global debt securities	19%	2.27%
Inflation assets	6%	1.39%
Private equity	12%	6.63%
Real estate	11%	5.21%
Infrastructure and Forestland	3%	5.36%
Liquidity	2%	-0.9%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool 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 total pension liability.

The following presents the District's proportionate share of the net pension liability calculated using the current discount rate as well as what the net pension liability would be if it were calculated using a discount rate that is one percent lower or higher than the current rate:

Discount rate	Net Pension Liability
1% decrease (6.15%)	$ 101,317,818
Current discount rate (7.15%)	68,861,829
1% increase (8.15%)	41,936,869

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $5,988,615 (9.328 percent of annual payroll). Contributions are no longer appropriated in the annual *Budget Act* for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budgeted amounts reported in the *General Fund - Budgetary Comparison Schedule.*

NOTE 13 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2018.

Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2018.

NOTE 14 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS

The District is a member of the San Gabriel Valley School Districts' Self-Insurance Authority, the East San Gabriel Valley Regional Occupational Program, and the San Gabriel Valley School Districts' Self-Insurance Authority for liability protection public entity risk pools. The District pays an annual premium to each entity for its health, workers' compensation, and property liability coverage. The relationships between the District, the pools, and the JPAs are such that they are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these statements. Audited financial statements are available from the respective entities.

During the year ended June 30, 2018, the District made payments of $849,467 and $3,055,624 to San Gabriel Valley School Districts' Self-Insurance Authority for liability protection, and San Gabriel Valley School Districts' Self-Insurance Authority, respectively, for its property liability and workers' compensation coverage, respectively.

NOTE 15 – RESTATEMENT OF PRIOR YEAR NET POSITION

The District adopted GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, in the current year. As a result, the effect on the current fiscal year is as follows:

Net Position - Beginning	$ (62,244,472)
Inclusion of net OPEB liability from the adoption of GASB Statement No. 75	(10,731,721)
Net Position - Beginning as Restated	$ (72,976,193)

REQUIRED SUPPLEMENTARY INFORMATION

BALDWIN PARK UNIFIED SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2018

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final
	Original	Final	(GAAP Basis)	to Actual
REVENUES				
LCFF sources	$139,604,904	$140,065,962	$ 140,811,758	$ 745,796
Federal sources	8,486,010	11,666,640	10,652,447	(1,014,193)
Other State sources	6,055,100	8,253,055	13,860,122	5,607,067
Other local sources	8,833,127	10,212,651	11,605,335	1,392,684
Total Revenues [1]	162,979,141	170,198,308	176,929,662	6,731,354
EXPENDITURES				
Current				
Certificated salaries	77,984,239	77,920,371	77,780,191	140,180
Classified salaries	26,661,116	26,070,518	25,718,421	352,097
Employee benefits	34,929,233	33,742,781	38,853,796	(5,111,015)
Books and supplies	8,795,164	9,459,973	6,244,395	3,215,578
Services and operating expenditures	15,569,418	16,744,811	14,859,387	1,885,424
Other outgo	7,229,467	7,083,316	5,247,285	1,836,031
Capital outlay	493,000	469,182	525,601	(56,419)
Debt service				
Principal	-	-	127,492	(127,492)
Total Expenditures [1]	171,661,637	171,490,952	169,356,568	2,134,384
Excess (Deficiency) of Revenues Over Expenditures	(8,682,496)	(1,292,644)	7,573,094	8,865,738
Other Financing Uses				
Transfers out	(1,250,000)	(2,554,513)	(4,041,561)	(1,487,048)
NET CHANGE IN FUND BALANCE	(9,932,496)	(3,847,157)	3,531,533	7,378,690
Fund Balance - Beginning	37,297,218	37,297,218	37,297,218	-
Fund Balance - Ending	$ 27,364,722	$ 33,450,061	$ 40,828,751	$ 7,378,690

[1] On behalf payments of $5,988,615 are included in the actual revenues and expenditures, but have not been included in the budgeted amounts.

See accompanying note to required supplementary information.

SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE YEAR ENDED JUNE 30, 2018

	2018
Total OPEB Liability	
Service cost	$ 1,033,851
Interest	717,958
Changes of assumptions	(968,499)
Benefit payments	(889,620)
Net change in total OPEB liability	(106,310)
Total OPEB liability - beginning	23,379,330
Total OPEB liability - ending	$ 23,273,020
Covered-employee payroll	N/A[1]
District's total OPEB liability as a percentage of covered-employee payroll	N/A[1]

[1] The District's OPEB Plan is not administered through a trust, and contributions are not made based on a measure of pay; therefore, no measure of payroll is presented.

Note: In the future, as data becomes available, ten years of information will be presented.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY-MPP PROGRAM
FOR THE YEAR ENDED JUNE 30, 2018

Year ended June 30,[1]	2018
District's proportion of the net OPEB liability	0.2749%
District's proportionate share of the net OPEB liability	$ 1,156,418
District's covered-employee payroll	N/A[1]
District's proportionate share of the net OPEB liability as a percentage of it's covered-employee payroll	N/A[1]
Plan fiduciary net position as a percentage of the total OPEB liability	0.01%

In the future, as data become available, ten years of information will be presented.

[1] As of June 30, 2012, active members are no longer eligible for future enrollment in the MPP Program; therefore, the covered payroll disclosure is not applicable.

See accompanying note to required supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017
CalSTRS		
District's proportion of the net pension liability (asset)	0.1518%	0.1534%
District's proportionate share of the net pension liability (asset)	$ 140,410,987	$ 124,056,147
State's proportionate share of the net pension liability (asset) associated with the District	83,065,954	70,622,951
Total	$ 223,476,941	$ 194,679,098
District's covered - employee payroll	77,975,739	74,406,226
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	180.07%	166.73%
Plan fiduciary net position as a percentage of the total pension liability	69%	70%
CalPERS		
District's proportion of the net pension liability (asset)	0.2885%	0.2904%
District's proportionate share of the net pension liability (asset)	$ 68,861,829	$ 57,345,146
District's covered - employee payroll	$ 37,956,695	$ 34,970,835
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	181.42%	163.98%
Plan fiduciary net position as a percentage of the total pension liability	72%	74%

2016	2015
0.1580%	0.1400%
$ 106,393,445	$ 81,800,539
56,270,404	49,394,697
$ 162,663,849	$ 131,195,236
71,392,545	$ 62,347,261
149.03%	131.20%
74%	77%
0.2766%	0.2735%
$ 40,776,796	$ 31,048,030
$ 31,447,723	$ 28,714,886
129.67%	108.13%
79%	83%

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2018

	2018	2017	2016	2015
CalSTRS				
Contractually required contribution	$ 12,227,295	$ 9,809,348	$ 7,983,788	$ 6,339,658
Contributions in relation to the contractually required contribution	(12,227,295)	(9,809,348)	(7,983,788)	(6,339,658)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 84,735,239	$ 77,975,739	$ 74,406,226	$ 71,392,545
Contributions as a percentage of covered - employee payroll	14.43%	12.58%	10.73%	8.88%
CalPERS				
Contractually required contribution	$ 6,063,193	$ 5,272,185	$ 4,144,044	$ 3,701,397
Contributions in relation to the contractually required contribution	(6,063,193)	(5,272,185)	(4,144,044)	(3,701,397)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered - employee payroll	$ 39,039,296	$ 37,956,695	$ 34,970,835	$ 31,447,723
Contributions as a percentage of covered - employee payroll	15.53%	13.89%	11.85%	11.77%

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United State of America as prescribed by the Governmental Accounting Standards Board and provisions of the California *Education Code*. The governing board is required to hold a public hearing and adopt an operating budget no later than July 1 of each year. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for.

This schedule presents information for the original and final budgets and actual results of operations, as well as the variances from the final budget to actual results of operations.

Schedule of Changes in the District's Total OPEB Liability and Related Ratios

This schedule presents information on the District's changes in the total OPEB liability, including beginning and ending balances, the plan's fiduciary net position, and the total OPEB liability. In the future, as data becomes available, ten years of information will be presented.

***Change in benefit terms* –** There were no changes in the benefit terms since the previous valuation.

***Change of assumptions* –** Changes of assumptions and other inputs reflect a change in the discount rate from 3.13 percent to 3.62 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net OPEB Liability - MPP Program

Changes in Benefit Terms – There were no changes in the benefit terms since the previous valuation.

Changes of Assumptions – The plan rate of investment return assumption was changed from 2.85 percent to 3.58 percent since the previous valuation.

Schedule of the District's Proportionate Share of the Net Pension Liability

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the States's proportionate share of the NPL associated with the District. In the future, as data becomes available, ten years of information will be presented.

***Changes in Benefit Terms* –** There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.

***Change of Assumptions* –** The CalSTRS plan rate of investment return assumption was changed from 7.60 percent to 7.10 percent since the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.65 percent to 7.15 percent since the previous valuation.

Schedule of District Contributions

This schedule presents information on the District's required contribution, the amounts actually contributed, and any excess or deficiency related to the required contribution. In the future, as data becomes available, ten years of information will be presented.

SUPPLEMENTARY INFORMATION

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BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education (CDE):			
Adult Basic Education - Adult Basic Education and ELA	84.002A	14508	$ 203,551
Adult Basic Education - Adult Secondary Education	84.002	13978	59,522
Adult Basic Education - English Literacy and Civics Education	84.002	14750	98,586
Career and Technical Educatoin - Basic Grants to States			
Carl D. Perkins Career and Technical Education:			
Secondary, Section 131	84.048	14894	124,667
Carl D. Perkins Career and Technical Education: Adult, Section 132	84.048	14893	61,822
Total Career and Technical Education - Basic Grants to States			186,489
Passed through California Department of Rehabilitation:			
State Vocational Rehabilitation Services Program	82.126A	[1]	15,098
Passed through Los Angeles County Special Education Local Plan Area:			
Special Education (IDEA) Cluster:			
Basic Local Assistance Entitlement, Part B, Section 611			
(Formerly PL 94-142)	84.027	13379	2,966,992
Preschool Grants, Part B, Section 619 (Age 3-4-5)	84.173	13430	116,156
Preschool Local Entitlement, Part B, Section 611 (Age 3-4-5)	84.027A	13682	351,903
Mental Health Allocation Plan, Part B, Section 611	84.027A	15197	99,667
Preschool Staff Development, Part B, Section 619	84.173A	13431	1,080
Total Special Education (IDEA) Cluster			3,535,798
Passed through East San Gabriel Valley Regional Occupation			
Program (ROP):			
Youth Career Connect Grant	17.274	[1]	49,370
Passed through California Department of Education (CDE):			
Title I, Part A - Basic Grants Low Income and Neglected	84.010	14329	4,492,345
Title I, Part B -CA Mathematics and Science Partnerships	84.366	14512	65,187
Title I, Part G: Advanced Placement (AP) Test Fee			
Reimbursement Program	84.330B	14831	11,306
Title I, Part C, Migrant Education	84.011	14326	7,919
Title II, Part A - Supporting Effective Instruction Local Grants	84.367	14341	537,395
English Language Acquisition State Grants			
Title III - Limited English Proficient (LEP) Student Program	84.365	14346	327,977
Title III - Immigrant Education Program	84.365	15146	6,650
Total English Language Acquisition State Grants			334,627
Elementary and Secondary School Counseling	84.215E	[1]	236,560
Federal Pell Grant Program	84.063	[1]	959,103
Total U.S. Department of Education			10,792,856

[1] Pass-Through Entity Identifying Number not available.

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2018

Federal Grantor/Pass-Through Grantor/Program	CFDA Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
Passed through CDE:			
Child Nutrition Cluster:			
Especially Needy Breakfast	10.553	13526	1,769,749
National School Lunch Program	10.555	13396	5,023,750
Seamless Summer Feeding Program	10.559	13004	216,475
Food Distribution	10.555	13396	678,918
Total Child Nutrition Cluster			7,688,892
Child and Adult Care Food Program	10.558	13666	1,844,788
Total U.S. Department of Agriculture			9,533,680
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Health Services:			
Medical Assistance Programs:			
Medi-Cal Billing Option	93.778	10013	712,964
Medi-Cal Administrative Activities Program	93.778	10060	64,952
Total Medical Assistance Programs			777,916
Head Start Programs:			
Head Start - Early Head Start [2]	93.600	10016	14,088,412
Head Start - Early Head Start OHS Expansion Year 9 [2]	93.600	10016	553,228
Head Start - Early Head Start OHS Expansion Year 10 [2]	93.600	10016	406,129
Total Head Start Programs			15,047,769
Total U.S. Department of Health and Human Services			15,825,685
Total Federal Programs			$ 36,152,221

[1] Pass-Through Entity Identifying Number not available.

[2] Local share/In-Kind Contributions are as follows:

Head Start - Early Head Start	$ 3,522,103
Head Start - Early Head Start OHS Expansion Year 9	136,022
Head Start - Early Head Start OHS Expansion Year 10	114,760

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2018

ORGANIZATION

The Baldwin Park Unified School District was unified on July 1, 1960, and consists of an area comprising approximately 8.7 square miles. The District operates thirteen elementary schools, two middle schools, two junior high schools, two high schools, a continuation, and an adult program. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Ms. Teresa I. Vargas	President	2018
Ms. Diana E. Dzib, J.D.	Vice President/Clerk	2018
Ms. Christina Lucero	Member	2020
Ms. Betsabel Lara	Member	2020
Mr. Santos Hernandez, Jr.	Member	2018

ADMINISTRATION

Dr. Froilan N. Mendoza	Superintendent
Ms. Angela Salazar	Assistant Superintendent, Student Achievement
Dr. Randy Gray, Ed.D.	Assistant Superintendent, Human Resources
Ms. Lydia Cano	Deputy Superintendent, Business Services and Operations

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2018

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	3,666.63	3,668.72
Fourth through sixth	2,887.73	2,883.50
Seventh and eighth	1,952.47	1,950.86
Ninth through twelfth	3,949.21	3,919.29
Total Regular ADA	12,456.04	12,422.37
Extended Year Special Education		
Transitional kindergarten through third	9.62	9.62
Fourth through sixth	7.42	7.42
Seventh and eighth	4.52	4.52
Ninth through twelfth	8.34	8.34
Total Extended Year Special Education	29.90	29.90
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.71	0.72
Fourth through sixth	1.83	1.62
Ninth through twelfth	8.49	8.66
Total Special Education, Nonpublic, Nonsectarian Schools	11.03	11.00
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.05	0.08
Fourth through sixth	-	0.13
Seventh and eighth	0.05	0.05
Ninth through twelfth	1.05	0.89
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	1.15	1.15
Community Day School		
Transitional kindergarten through third		
Fourth through sixth		
Seventh and eighth	0.46	0.39
Ninth through twelfth	4.81	5.64
Total Community Day School	5.27	6.03
Total ADA	12,503.39	12,470.45

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2018

Grade Level	1986-87 Minutes Requirement	2017-18 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	51,590	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		51,590	180	N/A	Complied
Grade 2		51,590	180	N/A	Complied
Grade 3		51,590	180	N/A	Complied
Grades 4 - 6	54,000				
Grade 4		54,190	180	N/A	Complied
Grade 5		54,190	180	N/A	Complied
Grade 6		54,190	180	N/A	Complied
Grades 7 - 8	54,000				
Grade 7		55,758	180	N/A	Complied
Grade 8		55,758	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		65,220	180	N/A	Complied
Grade 10		65,220	180	N/A	Complied
Grade 11		65,220	180	N/A	Complied
Grade 12		65,220	180	N/A	Complied

See accompanying note to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2018.

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2018

	(Budget) 2019 [1]	2018	2017	2016
GENERAL FUND				
Revenues	$166,191,898	$176,929,662	$177,997,959	$176,364,673
Other sources and transfers in	-	-	673,495	-
Total Revenues and Other Sources	166,191,898	176,929,662	178,671,454	176,364,673
Expenditures	173,252,515	169,356,568	171,079,256	160,018,456
Other uses and transfers out	872,000	4,041,561	5,630,171	3,872,989
Total Expenditures and Other Uses	174,124,515	173,398,129	176,709,427	163,891,445
INCREASE (DECREASE) IN FUND BALANCE	$ (7,932,617)	$ 3,531,533	$ 1,962,027	$ 12,473,228
ENDING FUND BALANCE	$ 32,896,134	$ 40,828,751	$ 37,297,218	$ 35,335,191
AVAILABLE RESERVES [2]	$ 27,157,786	$ 32,984,900	$ 32,121,363	$ 25,135,249
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO [3]	15.60%	19.02%	18.18%	15.34%
LONG-TERM OBLIGATIONS	N/A	$183,367,947	$180,156,745	$170,002,590
K-12 AVERAGE DAILY ATTENDANCE AT P-2	11,874	12,503	13,151	13,568

The General Fund balance has increased by $5,493,560 over the past two years. The fiscal year 2018-2019 budget projects a decrease of $7,932,617 (19.43 percent). For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in each of the past three years but anticipates incurring an operating deficit during the 2018-2019 fiscal year. Total long-term obligations have increased by $13,365,357 over the past two years.

Average daily attendance has decreased by 1,065 over the past two years. Additional decline of 629 ADA is anticipated during fiscal year 2018-2019.

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[1] Budget 2019 is included for analytical purposes only and has not been subjected to audit.

[2] Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained with the General Fund

[3] Long-term obligations have been restated for the year ending June 30, 2017 due to the implementation of GASB Statement No. 75.

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

SCHEDULE OF CHARTER SCHOOLS
FOR THE YEAR ENDED JUNE 30, 2018

Name of Charter School	Included in Audit Report
Opportunities for Learning Charter School	No
Opportunities for Learning Charter School II	No

See accompanying note to supplementary information.

BALDWIN PARK UNIFIED SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

	Adult Education Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund
ASSETS				
Deposits and investments	$ 369,471	$ 3,375,806	$ 810,300	$ 1,334,528
Receivables	179,420	254,497	2,253	6,658
Stores inventories	-	218,553	-	-
Total Assets	$ 548,891	$ 3,848,856	$ 812,553	$ 1,341,186
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 280,349	$ 192,931	$ -	$ 50,132
Deferred revenue	485	26,186	-	-
Total Liabilities	280,834	219,117	-	50,132
Fund Balances:				
Nonspendable	5,000	218,553	-	-
Restricted	199	3,411,186	812,553	-
Assigned	262,858	-	-	1,291,054
Total Fund Balances	268,057	3,629,739	812,553	1,291,054
Total Liabilities and Fund Balances	$ 548,891	$ 3,848,856	$ 812,553	$ 1,341,186

See accompanying note to supplementary information.

County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
$ 866,218	$ 4,638,973	$ 5,246,176	$ 16,641,472
6,850	18,770	-	468,448
-	-	-	218,553
$ 873,068	$ 4,657,743	$ 5,246,176	$ 17,328,473
$ -	$ 854	$ -	$ 524,266
-	-	-	26,671
-	854	-	550,937
-	-	-	223,553
475,112	-	5,246,176	9,945,226
397,956	4,656,889	-	6,608,757
873,068	4,656,889	5,246,176	16,777,536
$ 873,068	$ 4,657,743	$ 5,246,176	$ 17,328,473

BALDWIN PARK UNIFIED SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018

	Adult Education Fund	Cafeteria Fund	Building Fund	Capital Facilities Fund
REVENUES				
Federal sources	$ 1,382,584	$ 9,356,198	$ -	$ -
Other State sources	5,759,405	575,163	-	47
Other local sources	908,059	602,212	6,340	638,998
Total Revenues	8,050,048	10,533,573	6,340	639,045
EXPENDITURES				
Current				
Instruction	4,795,391	-	-	-
Instruction-related activities:				
Supervision of instruction	741,080	-	-	-
Instructional library, media and technology	314,629	-	-	-
School site administration	1,583,293	-	-	-
Pupil services:				
Food services	-	9,627,452	-	-
All other pupil services	317,328	-	-	-
Administration:				
All other administration	-	262,697	-	805
Plant services	1,235,715	569,546	-	-
Facility acquisition and construction	-	-	-	332,574
Debt service				
Principal	-	-	-	-
Interest and other	-	-	-	-
Total Expenditures	8,987,436	10,459,695	-	333,379
Excess (Deficiency) of Revenues Over Expenditures	(937,388)	73,878	6,340	305,666
Other Financing Sources				
Transfers in	786,578	-	402,829	-
Transfers out	-	-	-	-
Net Financing Sources (Uses)	786,578	-	402,829	-
NET CHANGE IN FUND BALANCES	(150,810)	73,878	409,169	305,666
Fund Balances - Beginning	418,867	3,555,861	403,384	985,388
Fund Balances - Ending	$ 268,057	$ 3,629,739	$ 812,553	$ 1,291,054

See accompanying note to supplementary information.

County School Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Bond Interest and Redemption Fund	Total Non-Major Governmental Funds
$ -	$ -	-	$ 10,738,782
402,829	827,772	64,362	7,629,578
16,132	47,175	6,448,929	8,667,845
418,961	874,947	6,513,291	27,036,205
-	-	-	4,795,391
-	-	-	741,080
-	-	-	314,629
-	-	-	1,583,293
-	-	-	9,627,452
-	-	-	317,328
-	-	-	263,502
-	-	-	1,805,261
-	1,210,229	-	1,542,803
-	-	3,800,000	3,800,000
-	-	3,354,976	3,354,976
-	1,210,229	7,154,976	28,145,715
418,961	(335,282)	(641,685)	(1,109,510)
-	1,473,000	-	2,662,407
(402,829)	-	-	(402,829)
(402,829)	1,473,000	-	2,259,578
16,132	1,137,718	(641,685)	1,150,068
856,936	3,519,171	5,887,861	15,627,468
$ 873,068	$ 4,656,889	$ 5,246,176	$ 16,777,536

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the 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). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amounts consist primarily of Medi-Cal Billing Option funds that in the previous period were recorded as revenues but were unspent. These unspent balances have been expended in the current period. In addition the Medical Administrative Activities funds have been recorded in the current period as revenues that have not been expended as of June 30, 2018. These unspent balances are reported as legally restricted ending balances within the General Fund.

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures, and Changes in Fund Balances:		$ 36,616,480
Medi-Cal Billing Option	93.778	216,459
Medi-Cal Administrative Activities	93.778	(680,718)
Total Schedule of Expenditures of Federal Awards		$ 36,152,221

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

Average daily attendance (ADA) is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of State funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2018

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

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.

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 the Charter School is included in the District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures, and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance.

INDEPENDENT AUDITOR'S REPORTS

INDEPENDENT AUDITOR'S 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*

Governing Board
Baldwin Park Unified School District
Baldwin Park, 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 Baldwin Park Unified School District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Baldwin Park Unified School District's basic financial statements, and have issued our report thereon dated December 17, 2018.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 and 15 to the financial statements, in 2018, the District adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.* Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Baldwin Park Unified School District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Baldwin Park Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Baldwin Park Unified School District's internal control.

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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 District'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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Baldwin Park Unified School 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 determination of financial statement amounts. 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*.

We noted certain matters that we reported to management of Baldwin Park Unified School District in a separate letter dated December 17, 2018.

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 District'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.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 17, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

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

Governing Board
Baldwin Park Unified School District
Baldwin Park, California

Report on Compliance for Each Major Federal Program

We have audited Baldwin Park Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Baldwin Park Unified School District's (the District) major Federal programs for the year ended June 30, 2018. Baldwin Park Unified School District's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the 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 Baldwin Park Unified School 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 the 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 Baldwin Park Unified School 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 Baldwin Park Unified School District's compliance.

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Opinion on Each Major Federal Program

In our opinion, Baldwin Park Unified School 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, 2018.

Report on Internal Control Over Compliance

Management of Baldwin Park Unified School District's 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 Baldwin Park Unified School 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 the 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 Baldwin Park Unified School 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 17, 2018

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
Baldwin Park Unified School District
Baldwin Park, California

Report on State Compliance

We have audited Baldwin Park Unified School District's (the District) compliance with the types of compliance requirements as identified in the *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* that could have a direct and material effect on each of the Baldwin Park Unified School District's State government programs as noted below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the Baldwin Park Unified School District's State programs based on our audit of the types of compliance requirements referred to above. 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 *2017-2018 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about Baldwin Park Unified School 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 opinions. Our audit does not provide a legal determination of Baldwin Park Unified School District's compliance with those requirements.

Unmodified Opinion

In our opinion, Baldwin Park Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2018.

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In connection with the audit referred to above, we selected and tested transactions and records to determine the Baldwin Park Unified School District's compliance with the State laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	Yes, see below
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	No, see below
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No, see below
CHARTER SCHOOLS	
Attendance	No, see below
Mode of Instruction	No, see below
Non Classroom-Based Instruction/Independent Study for Charter Schools	No, see below
Determination of Funding for Non Classroom-Based Instruction	No, see below
Annual Instruction Minutes Classroom-Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform testing for Independent Study because ADA was below the threshold required for testing.

The District does not offer a Work Experience Program; therefore, we did not perform procedures related to the Work Experience Program within the Continuation Education Attendance Program.

The District did not offer an Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the Early Retirement Incentive Program.

The District does not have any Juvenile Court Schools; therefore, we did not perform any procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform any procedures related to Middle or Early College High Schools.

The District does not offer an Apprenticeship Program; therefore, we did not perform any procedures for the Apprenticeship Program.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform any procedures related to the Before School Education and Safety Program.

The District does not offer an Independent Study-Course Based Program; therefore, we did not perform any procedures related to the Independent Study-Course Based Program.

The Charter School is independent of the District; therefore, we did not perform any procedures related to charter schools.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 17, 2018

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

BALDWIN PARK INIFIED SCHOOL DISTRICT

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2018

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major Federal programs:	
Material weakness identified?	No
Significant deficiency identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
10.553, 10.555, 10.559	Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 1,084,567
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

BALDWIN PARK INIFIED SCHOOL DISTRICT

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2018

None Reported

BALDWIN PARK INIFIED SCHOOL DISTRICT

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2018

None reported.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS Continued
FOR THE YEAR ENDED JUNE 30, 2018

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's schedule of financial statement findings.

Financial Statement Findings

2017-001 30000

Criteria or Specific Requirements

Condition

As discussed in Note 14 of the financial statements, the San Gabriel Valley School District's Self-Insurance Authority Joint Powers Authority (JPA) reported a deficit retained earnings balance for the District as of June 30, 2017. This is for the six member districts of the JPA. The Baldwin Park Unified School District's portion of the combined retained earnings is meeting the ten year plan to reduce the deficit balance.

Recommendation

Although the District's has increased premiums during the current fiscal year, there still remains a significant deficit. Accordingly, the District's premium contribution should continue to increase. The District should work closely with the JPA to continue with its plan to reduce the deficit.

Current Status

Implemented

VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

Governing Board
Baldwin Park Unified School District
Baldwin Park, California

In planning and performing our audit of the financial statements of Baldwin Park Unified School District (the District) for the year ended June 30, 2018, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

However, during our audit, we noted matters that are opportunities for strengthening internal controls and operating efficiency. The following items represent conditions noted by our audit that we consider important enough to bring to your attention. This letter does not affect our report dated December 17, 2018, on the government-wide financial statements of the District.

Sierra Vista High School

Revenue Potentials

Observation

Revenue potential forms are not being completed when documenting fundraising activities as they occur. These forms supply an element of internal controls without which it is difficult to determine the success of a fundraiser and to track money as it is spent and received.

- Overages/Shortages not being explained, specifically, the revenue potential forms.

Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed fundraiser. Once the fundraiser is complete, the actual results should be summarized and compared to the expected results to determine if the fundraiser generated the profit expected. Discrepancies should be investigated and explained and a determination should be made as to whether or not it is beneficial to conduct the fundraiser in the future.

Ticket Sales Recap

Observation

The ticket sales recap form did not document overage/shortages.

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Recommendation

A ticket sales recap form serves the purpose of calculating, based on the number of tickets sold out of the roll and the price per ticket, the amount of cash that should have been collected. The recap should be reconciled to the cash deposit forwarded to the bookkeeper. This procedure documents overages and shortages of cash and informs site personnel about potential problems in cash collections. The forms should be filed along with the deposit form and other pertinent documents.

Deficit Club Account Balances

Observation

In reviewing the financial statements for the student body accounts we noted the following trust account had a negative club account balance:

- Class of 2019 ($4,567.19)

Since the student body accounts represent individual portions of the cash and asset pool, by some accounts having negative balances, they have in actuality spent the available funds of other accounts. A key control in any internal control system is the control of individual account balances by ensuring the expenditure is allowable and the account requesting the expenditure has the funds to cover it.

Recommendation

By allowing certain clubs to spend in excess of their available reserves, the Associated Student Body is effectively using the funds of the other clubs and organizations. Request for disbursements from student groups should be reviewed for appropriateness and also to ensure that funds are available in the clubs account.

Inventory – Reconciliation

Observation

In reviewing the monthly reconciliation and financial statements we noted that the inventory detail balances do not equal the inventory balance in the financial statements. The purpose of performing the monthly inventory reconciliation is to ensure that no errors have occurred in counting inventory and that the inventory balances, and monthly activity is accurately reported.

Recommendation

The site should ensure that the reconciled details of assets of the student body equal the balances in the financial statements. If an unreconciled difference is found, it should be investigated to determine in what account (asset, liability, agency or trust account balance) the error has occurred. The account would then be adjusted appropriately.

Bank Reconciliation (Monthly Review Not Performed Timely)

Observation

There was no evidence that the bank reconciliations are being reviewed by an individual not involved in the daily financial statement transactions on a monthly basis.

Recommendation

Timely and accurate bank account reconciliations and review are prudent and necessary. Best practices would be that an individual that is not preparing the bank reconciliations and financial statements is reviewing and signing off on them in a timely manner. The individual responsible for reviewing the bank reconciliation should sign and date the face of the reconciliation to show a proper and timely review was performed.

Sierra Vista Jr High School

Cash Disbursements - General

Observation

In reviewing the cash disbursement procedures at the site, we noted the following deficiencies:

- Check 2153 and 2156 requests contain only two of the three required approval signatures.
- Supporting documents for check 2137 missing.

Recommendation

The site should review the cash disbursement procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*. The manual explains that three signatures, one being a student representative, are required pursuant to California Educational Code Section 48933(5)(b) on all disbursements from a student body account and that documents supporting a disbursement should be kept in organized files with the student body bookkeeper so that they can be easily reviewed should the need arise.

Meeting Minutes

Observation

The minutes of the student council meetings are not completed as suggested in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*. The following issues were noted regarding the student council minutes:

- We were unable to verify the student council approval of 2 fundraising activities selected for testing.

Recommendation

Student council minutes should be maintained for every student council meeting clearly documenting the approval of disbursement, fundraising activities, and any other item that requires student council approval.

Revenue Potentials

Observation

Revenue potential forms are not being used to document and control fundraising activities as they occur. These forms supply an element of internal controls without which it is difficult to determine the success of a fundraiser and to track money as it is spent and received.

- Revenue potential forms were not completed after fundraising event took place.
- Overages/shortages are not explained.

Recommendation

As the revenue potential form is a vital internal control tool, it should be used to document revenues, expenditures, potential revenue and actual revenue. This allows an analysis of the fundraiser to be conducted, indicating to the staff the success or failure of the completed fundraiser. Once the fundraiser is complete, the actual results should be summarized and compared to the expected results to determine if the fundraiser generated the profit expected. Discrepancies should be investigated and explained and a determination should be made as to whether or not it is beneficial to conduct the fundraiser in the future.

Change Fund

Observation

The site maintains a change fund of cash being held at the school to fund change drawers during events which is not reported as an asset account on the balance sheet thereby understating the total assets. The change fund that is maintained by the school site is $100.

Recommendation

According to the policies and procedures outlined in the Fiscal Crisis and Management Assistance Team's manual titled, *ASB Accounting Manual, Fraud Prevention Guide and Desk Reference*, a change fund is normally checked out from the bookkeeper for individual fundraisers or activities and should be used solely for making change. Expenditures should not be made from this account under any circumstances. When the fundraiser is complete, the change fund should be deposited back into the bank account. If it is not deposited, it should be accounted for as an asset on the balance sheet.

Inventory – Reconciliation

Observation

In reviewing the monthly reconciliation and financial statements we noted that the inventory detail balances do not equal the inventory balance in the financial statements. The purpose of performing the monthly inventory reconciliation is to ensure that no errors have occurred in counting inventory and that the inventory balances, and monthly activity is accurately reported.

Recommendation

The site should ensure that the reconciled details of assets of the student body equal the balances in the financial statements. If an unreconciled difference is found, it should be investigated to determine in what account (asset, liability, agency or trust account balance) the error has occurred. The account would then be adjusted appropriately.

Bank Reconciliation Monthly Review Not Performed Timely

Observation

There was no evidence that the bank reconciliations are being reviewed on a timely basis. An independent review is signing the review but is not dating. As a result determination of timely review could not be made.

Recommendation

Timely and accurate bank account reconciliations and review are prudent and necessary. Best practices would be that an individual that is not preparing the bank reconciliations and financial statements is reviewing and signing off on them in a timely manner. The individual responsible for reviewing the bank reconciliation should sign and date the face of the reconciliation to show a proper and timely review was performed.

We will review the status of the current year comments during our next audit engagement.

Vavrinek, Trine, Day & Co., LLP

Rancho Cucamonga, California
December 17 2018

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Baldwin Park Unified School District (the "District") in connection with the issuance of $32,996,025.05 of the District's 2019 General Obligation Refunding Bonds (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to a Resolution of the Board of Trustees of the District adopted on October 8, 2019 (the "Resolution"). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, 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 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially Montague DeRose and Associates, LLC, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Financial Obligation" shall mean (a) a debt obligation; (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of (a) or (b). The term "Financial Obligation" does not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Sections 5(a) or Section 5(b) of this Disclosure Certificate.

"Official Statement" means the official statement dated as of November 5, 2019 and relating the primary offering and sale of the Bonds.

"Participating Underwriter" shall mean Morgan Stanley & Co. LLC, and any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2018-19 Fiscal Year (which is due no later than March 31, 2020), provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. 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 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), 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.

2. Financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) state funding received by the District for the last completed fiscal year;

(b) average daily attendance of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;

(e) assessed valuation of taxable property within the District for the current fiscal year; and

(f) secured *ad valorem* tax charges and delinquencies for the last completed fiscal year, except to the extent the Teeter Plan, if adopted by Los Angeles County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District.

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, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

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

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent

or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

(b) Pursuant to the provisions of this Section 5(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:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. 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.

7. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

8. 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 Bondowners.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a).

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds 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 Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: November 21, 2019

BALDWIN PARK UNIFIED SCHOOL DISTRICT

By: ____
Superintendent

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: BALDWIN PARK UNIFIED SCHOOL DISTRICT

Name of Bond Issue: 2019 General Obligation Refunding Bonds (Federally Taxable)

Date of Issuance: November 21, 2019

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

BALDWIN PARK UNIFIED SCHOOL DISTRICT

By ______[form only; no signature required]_________

APPENDIX D

ACCRETED VALUES TABLE

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Accreted Value Table

Date	(Capital Appreciation Bonds) Term Bond 1 4.25%
11/21/2019	1,769.85
2/1/2020	1,784.40
8/1/2020	1,822.30
2/1/2021	1,861.05
8/1/2021	1,900.60
2/1/2022	1,941.00
8/1/2022	1,982.25
2/1/2023	2,024.35
8/1/2023	2,067.35
2/1/2024	2,111.30
8/1/2024	2,156.15
2/1/2025	2,202.00
8/1/2025	2,248.80
2/1/2026	2,296.55
8/1/2026	2,345.35
2/1/2027	2,395.20
8/1/2027	2,446.10
2/1/2028	2,498.10
8/1/2028	2,551.15
2/1/2029	2,605.40
8/1/2029	2,660.75
2/1/2030	2,717.30
8/1/2030	2,775.05
2/1/2031	2,834.00
8/1/2031	2,894.25
2/1/2032	2,955.75
8/1/2032	3,018.55
2/1/2033	3,082.70
8/1/2033	3,148.20
2/1/2034	3,215.10
8/1/2034	3,283.40
2/1/2035	3,353.20
8/1/2035	3,424.45
2/1/2036	3,497.20
8/1/2036	3,571.55
2/1/2037	3,647.40
8/1/2037	3,724.95
2/1/2038	3,804.10
8/1/2038	3,884.90
2/1/2039	3,967.50
8/1/2039	4,051.80
2/1/2040	4,137.90
8/1/2040	4,225.80
2/1/2041	4,315.60
8/1/2041	4,407.35
2/1/2042	4,501.00
8/1/2042	4,596.65
2/1/2043	4,694.30
8/1/2043	4,794.05
2/1/2044	4,895.95
8/1/2044	5,000.00

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APPENDIX E

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BALDWIN PARK, AND LOS ANGELES COUNTY

The following information regarding the City of Baldwin Park (the "City"), and Los Angeles County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

City of Baldwin Park. The City is located in the central portion of the San Gabriel Valley and was incorporated in 1956 as a general law city. It operates under the Council-Chief Executive Officer form of government. The City Council is comprised of four members elected at large to four-year staggered terms and the Mayor, elected at large every two years. The City Council also serves as the governing board of the City's Community Development Commission, Housing Authority and Financing Authority.

Los Angeles County. Established by an act of the State Legislature on February 18, 1850, Los Angeles is one of the original 27 counties of the State of California (the "State"). With 4,083 square miles, the county borders 70 miles of coast on the Pacific Ocean. By population it is the largest of any county in the country, home to 88 incorporated Cities and many unincorporated areas, and hosting over 10 million residents. Its 2017 Gross Domestic Product of $670 billion made Los Angeles County's economy larger than that of 44 states and all but 21 countries. In between the large desert portions of the county — which make up around 40% of its land area — and the heavily urbanized central and southern portions, sit the San Gabriel Mountains, containing the Angeles National Forest. Los Angeles is a charter county governed by a five-member elected Board of Supervisors whose members serve staggered four-year terms.

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Population

The following table shows historical population figures for the City, the County and the State for the past 10 years.

POPULATION ESTIMATES
2010 through 2019
City of Baldwin Park, Los Angeles County and the State of California

Year[1]	City of Baldwin Park	Los Angeles County	State of California
2010[2]	75,390	9,818,605	37,253,956
2011	75,824	9,885,948	37,594,781
2012	76,336	9,972,649	37,971,427
2013	76,527	10,040,960	38,321,459
2014	76,762	10,098,952	38,622,301
2015	76,917	10,155,753	38,952,462
2016	76,837	10,185,851	39,214,803
2017	77,091	10,226,920	39,504,609
2018	77,161	10,254,658	39,740,508
2019	77,286	10,253,716	39,927,315

(1) As of January 1.
(2) As of April 1.
Source: 2010: U.S. Department of Commerce, Bureau of the Census, for April 1.
2010-19 (2010 Demographic Research Unit Benchmark): California Department of Finance for January 1.

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Income

The following table summarizes per capita personal income for the County, the State and the United States for the past 10 years.

PER CAPITA PERSONAL INCOME
2008 through 2017
Los Angeles County, State of California, and United States

Year	Los Angeles County	State of California	United States
2008	$43,431	$43,895	$40,904
2009	41,869	42,050	39,284
2010	43,569	43,609	40,545
2011	46,439	46,145	42,727
2012	49,459	48,751	44,582
2013	49,010	49,173	44,826
2014	52,130	52,237	47,025
2015	55,366	55,679	48,940
2016	56,851	57,497	49,831
2017	58,419	59,796	51,640

Note: Per capital personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. Last updated: March 6, 2019 – revised statistics for 1969 - 2000. Estimates for 2010 – 2017 reflect county population estimates available as of March 2018.
All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

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Principal Employers

The following tables list the principal employers located in the City and the County.

PRINCIPAL EMPLOYERS
2018
City of Baldwin Park

Employer Name	Industry	Number of Employees
S. California Permanente Medical Group	Services: Health Services	1,943
Baldwin Park Unified School District	Services: Educational	1,903
United Parcel Service Inc.	Motor Freight Transportation and Warehousing	841
Walmart	Retail Trade: General Merchandise	331
Baldwin Park City Hall	Public Administration	303
Lighting Technologies International LLC	Manufacturing: Commercial, Industrial, and Institutional Electric Lighting Fixtures	185
Freudenberg Medical LLC	Services: Health Services	170
Universal Plastic Mold	Manufacturing: Rubber and Miscellaneous Plastics Products	167
Target	Retail Trade: General Merchandise	161
Home Depot	Retail Trade: General Merchandise	149

Source: City of Baldwin Park Comprehensive Annual Financial Report, Fiscal Year Ended June 30, 2018.

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PRINCIPAL EMPLOYERS
2017
Los Angeles County

Employer Name	Industry	Number of Employees
Los Angeles County	Public Administration	108,995
Los Angeles Unified School District	Services: Education	60,015
University of California, Los Angeles	Services: Education	47,596
U.S. Government- Federal Executive Board	Public Administration	47,000
Kaiser Permanente	Services: Health Services	36,468
City of Los Angeles	Public Administration	32,987
State of California	Public Administration	28,700
University of Southern California	Services: Health Services	20,163
Northrop Grumman Corp.	Manufacturing: Industrial	16,600
Providence Health & Services So. California	Services: Health Services	15,255
Target Corp.	Retail Trade: General Merchandise	15,000
Ralphs/Food 4 Less (Kroger Co. division)	Retail Trade: Food Stores	14,970
Walt Disney Co.	Motion Picture Production and Allied Services	13,000
Albertsons/Vons/Pavilions	Retail Trade: Food Stores	13,000
Bank of America Corp.	Finance: Depository Institutions	12,500
Cedars-Sinai Medical Center	Services: Health Services	12,242
NBC Universal	Motion Picture Production and Allied Services	12,000
AT&T Inc.	Services: Communication	11,500
Home Depot	Retail Trade: Home Furniture, Furnishings and Equipment Stores	11,200
Los Angeles County MTA	Local and Suburban Transit	10,433
UPS	Motor Freight Transportation and Warehousing	10,131
Los Angeles Department of Water & Power	Electric, Gas and Sanitary Services	9,438
Wells Fargo	Finance: Depository Institutions	9,001
Boeing Co.	Manufacturing: Transportation Equipment	9,000
California Institute of Technology	Services: Education	8,702
Allied Universal	Business Services: Security Systems	8,384
ABM Industries Inc.	Business Services: Building Cleaning and Maintenance Services	8,000
Los Angeles Community College District	Services: Education	7,084
FedEx Corp.	Motor Freight Transportation and Warehousing	7,000
Long Beach Unified School District	Services: Education	6,607
California State University, Northridge	Services: Education	6,540
Dignity Health	Services: Health Services	6,274
Costco	Retail Trade: General Merchandise	6,000
Amgen Inc.	Manufacturing: Chemicals and Allied Products	5,616
SoCal Gas	Electric, Gas and Sanitary Services	5,600
Raytheon	Business Services: Computer Related	5,500

Note: The information on this list was provided by representatives of the employers themselves. Companies are ranked by the current number of full-time employees in Los Angeles County. Several additional companies may have qualified for this list, but failed to submit information or do not break out local employment data.
Source: "2018 Book of Lists," Los Angeles Business Journal, August 28, 2017.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2014 through 2018 for the City, the County, the State and the United States.

LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ANNUAL AVERAGES
2014 through 2018[1]
City of Baldwin Park, Los Angeles County, State of California, and United States

Year and Area	Labor Force	Employment[2]	Unemployment[3]	Unemployment Rate (%)
2014				
City of Baldwin Park	35,200	31,400	3,800	10.9
Los Angeles County	5,006,800	4,593,900	412,900	8.2
State of California	18,755,000	17,348,600	1,406,400	7.5
United States	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Baldwin Park	35,000	31,900	3,100	8.8
Los Angeles County	5,000,600	4,668,200	332,400	6.6
State of California	18,893,200	17,723,300	1,169,900	6.2
United States	157,130,000	148,834,000	8,296,000	5.3
2016				
City of Baldwin Park	35,100	32,700	2,500	7.0
Los Angeles County	5,043,300	4,778,800	264,500	5.2
State of California	19,102,700	18,065,000	1,037,700	5.4
United States	159,187,000	151,436,000	7,751,000	4.9
2017				
City of Baldwin Park	35,900	34,300	1,700	4.6
Los Angeles County	5,123,900	4,883,600	240,300	4.7
State of California	19,312,000	18,393,100	918,900	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
2018				
City of Baldwin Park	34,900	33,200	1,700	4.9
Los Angeles County	5,136,300	4,896,500	239,800	4.7
State of California[4]				
United States	162,075,000	155,761,000	6,314,000	3.9

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
(4) Annual averages data for 2018 is not yet available.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2018 Benchmark.

Industry

The County is included in the Los Angeles-Long Beach-Glendale Metropolitan Division (the "Metropolitan Division"). The distribution of employment in the Metropolitan Division is presented in the following table for the last five years. These figures may be multi county-wide statistics and may not necessarily accurately reflect employment trends in the County.

INDUSTRY EMPLOYMENT & LABOR FORCE ANNUAL AVERAGES
2014 through 2018
Los Angeles County (Los Angeles-Long Beach-Glendale Metropolitan Division)

Category	2014	2015	2016	2017	2018
Total Farm	5,200	5,000	5,300	5,700	4,800
Total Nonfarm	4,192,600	4,285,800	4,394,600	4,448,300	4,510,100
Total Private	3,636,500	3,717,300	3,817,900	3,862,200	3,920,500
Goods Producing	493,100	497,300	496,100	490,300	491,600
Mining and Logging	3,100	2,900	2,400	2,000	1,900
Construction	118,500	126,100	133,900	138,400	146,000
Manufacturing	371,500	368,200	360,800	349,900	343,700
Durable Goods	208,800	208,200	203,400	202,100	202,900
Nondurable Goods	162,700	160,000	157,400	147,700	140,800
Service Providing	3,699,500	3,788,500	3,897,400	3,958,000	4,018,500
Private Service Providing	3,143,300	3,220,000	3,320,800	3,371,900	3,428,900
Trade, Transportation & Utilities	804,500	822,200	835,600	845,700	850,900
Wholesale Trade	219,600	222,400	222,100	221,500	222,800
Retail Trade	415,700	422,200	424,600	426,100	425,300
Transportation, Warehousing & Utilities	169,300	177,600	188,900	198,200	202,800
Information	198,900	207,600	229,400	214,900	217,400
Financial Activities	211,200	215,600	219,800	221,600	223,000
Professional & Business Services	589,100	591,000	600,100	608,800	620,000
Educational & Health Services	725,000	745,900	772,700	800,600	823,600
Leisure & Hospitality	464,100	486,600	510,000	524,600	534,300
Other Services	150,500	151,000	153,300	155,700	159,700
Government	556,200	568,500	576,700	586,100	589,600
Total, All Industries	4,197,800	4,290,700	4,399,900	4,454,000	4,514,900

Note: The "Total, All Industries" data is not directly comparable to the employment data found herein.
Source: State of California, Employment Development Department, Labor Market Information Division, Annual Average Labor Force and Industry Employment. March 2018 Benchmark.

Commercial Activity

Summaries of annual taxable sales for the City and the County for the last five years are shown in the following tables.

ANNUAL TAXABLE SALES
2014 through 2018
City of Baldwin Park
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Taxable Transactions
2014	669	$427,241	1,091	$505,558
2015	--	435,215	--	516,593
2016	--	433,826	--	523,462
2017	--	442,160	--	538,169
2018	--	468,083	--	569,090

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 on are not comparable to that of prior years.
Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

ANNUAL TAXABLE SALES
2014 through 2018
Los Angeles County
(Dollars in Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2014	187,408	$104,189,819	272,733	$147,446,927
2015	--	109,094,979	--	151,981,739
2016	--	110,994,350	--	155,155,640
2017	--	114,298,559	--	160,280,129
2018	--	118,862,035	--	165,674,353

Note: Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 on are not comparable to that of prior years.
Source: "Taxable Sales in California," California Department of Tax and Fee Administration.

Construction Activity

The annual building permit valuations and number of permits for new dwelling units issued for the past five years for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
City of Baldwin Park
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$5,165	$5,270	$7,837	$15,122	$21,339
Non-Residential	19,132	10,464	9,980	35,911	13,020
Total	$24,297	$15,734	$17,817	$51,033	$34,359
Units					
Single Family	18	17	27	66	80
Multi Family	0	39	0	0	12
Total	18	56	27	66	92

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
2014 through 2018
Los Angeles County
(Dollars in Thousands)

	2014	2015	2016	2017	2018
Valuation					
Residential	$5,509,418	$6,383,036	$6,575,607	$7,368,352	$7,441,001
Non-Residential	6,657,571	5,645,372	5,287,623	6,037,503	6,694,097
Total	$12,166,989	$12,028,408	$11,863,230	$13,405,855	$14,135,098
Units					
Single Family	4,358	4,487	4,780	5,456	6,070
Multiple Family	14,349	18,405	15,589	17,023	17,152
Total	18,707	22,892	20,369	22,479	23,222

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

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APPENDIX F

LOS ANGELES COUNTY TREASURY POOL

The following information concerning the Los Angeles County Treasury Pool (the "Treasury Pool") has been provided by the Treasurer, and has not been confirmed or verified by the District, the Municipal Advisor or the Underwriter. The District, the Municipal Advisor and the Underwriter have not made an independent investigation of the investments in the Treasury Pool and have made no assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, with the consent of the County Board of Supervisors, may change the County investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, none of the District, the Municipal Advisor or the Underwriter make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Treasury Pool may be obtained from the Treasurer at https://ttc.lacounty.gov/; however, the information presented on such website is not incorporated herein by any reference.

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THE LOS ANGELES COUNTY POOLED SURPLUS INVESTMENTS

The Treasurer and Tax Collector (the Treasurer) of Los Angeles County has the delegated authority to invest funds on deposit in the County Treasury (the Treasury Pool). As of August 31, 2019, investments in the Treasury Pool were held for local agencies including school districts, community college districts, special districts and discretionary depositors such as cities and independent districts in the following amounts:

Local Agency	Invested Funds (in billions)
County of Los Angeles and Special Districts	$10.353
Schools and Community Colleges	14.523
Discretionary Participants	2.709
Total	$27.585

The Treasury Pool participation composition is as follows:

Non-discretionary Participants	90.17%
Discretionary Participants:	
Independent Public Agencies	9.34%
County Bond Proceeds and Repayment Funds	0.49%
Total	100.00%

Decisions on the investment of funds in the Treasury Pool are made by the County Investment Officer in accordance with established policy, with certain transactions requiring the Treasurer's prior approval. In Los Angeles County, investment decisions are governed by Chapter 4 (commencing with Section 53600) of Part 1 of Division 2 of Title 5 of the California Government Code, which governs legal investments by local agencies in the State of California, and by a more restrictive Investment Policy developed by the Treasurer and adopted by the Los Angeles County Board of Supervisors on an annual basis. The Investment Policy adopted on March 19, 2019, reaffirmed the following criteria and order of priority for selecting investments:

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

The Treasurer prepares a monthly Report of Investments (the Investment Report) summarizing the status of the Treasury Pool, including the current market value of all investments. This report is submitted monthly to the Board of Supervisors. According to the Investment Report dated September 30, 2019, the August 31, 2019, book value of the Treasury Pool was approximately $27.585 billion and the corresponding market value was approximately $27.595 billion.

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

The following table identifies the types of securities held by the Treasury Pool as of August 31, 2019:

Type of Investment	**% of Pool**
Certificates of Deposit	6.71
U.S. Government and Agency Obligations	66.53
Bankers Acceptances	0.00
Commercial Paper	26.21
Municipal Obligations	0.18
Corporate Notes & Deposit Notes	0.37
Repurchase Agreements	0.00
Asset Backed Instruments	0.00
Other	0.00
	100.00

The Treasury Pool is highly liquid. As of August 31, 2019, approximately 35% of the investments mature within 60 days, with an average of 552 days to maturity for the entire portfolio.