This Preliminary Official Statement and the information contained herein are subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 3, 2023

NEW ISSUE - FULL BOOK-ENTRY

RATING: Moody's: "___"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds (as defined herein) is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS."

$45,000,000*
MT. DIABLO UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
2023 Refunding General Obligation Bonds

Dated: Date of Delivery **Due: As shown on inside front cover.**

Authority and Purpose. The Mt. Diablo Unified School District (Contra Costa County, California) 2023 Refunding General Obligation Bonds (the "Bonds") are being issued by the Mt. Diablo Unified School District (the "District") pursuant to certain provisions of the California Government Code and a resolution of the Board of Education of the District adopted on March 22, 2023 (the "Bond Resolution"). The Bonds are being issued for the purpose of refinancing certain outstanding general obligation bonds of the District, and to pay related costs of issuance. See THE REFINANCING PLAN" and "THE BONDS – Authority for Issuance."

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

Payments. The Bonds are dated the date of delivery. The Bonds accrue interest at the rates set forth on the inside cover page hereof payable semiannually on each February 1 and August 1 until maturity or earlier redemption, commencing on August 1, 2023. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "-Mandatory Sinking Fund Redemption."

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

Bond Insurance. The District expects to qualify the Bonds for municipal bond insurance and will make a determination at the time of sale of the Bonds as to whether to obtain said insurance.

MATURITY SCHEDULE
(See inside cover)

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

The Bonds will be offered when, as and if issued, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Kutak Rock LLP, Denver, Colorado, is serving as Underwriter's Counsel. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC, on or about May 4, 2023.*

STIFEL

The date of this Official Statement is _____ __, 2023.

**Preliminary; subject to change.*

MATURITY SCHEDULE*

MT. DIABLO UNIFIED SCHOOL DISTRICT

(Contra Costa County, California)

Base CUSIP†: 621196

2023 Refunding General Obligation Bonds

Maturity Date	Principal Amount	Interest Rate	Yield	CUSIP†

*Preliminary; subject to change.

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein are provided by CUSIP Global Services ("CGS"), managed on behalf of the American Bankers Association by FactSet Research Systems Inc. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience only. Neither of the District nor the Underwriter takes any responsibility for the accuracy of such numbers.

MT. DIABLO UNIFIED SCHOOL DISTRICT
CONTRA COSTA COUNTY
STATE OF CALIFORNIA

BOARD OF EDUCATION

Keisha Nzewi*, President*
Erin McFerrin, *Vice President*
Cherise Khaund, *Member*
Debra Mason, *Member*
Linda Mayo*, Member*

DISTRICT ADMINISTRATIVE STAFF

Adam Clark, Ed.D., *Superintendent*
Lisa M. Gonzales, Ed.D., *Chief Business Officer*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc.
Walnut Creek, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

BOND REGISTRAR, TRANSFER AGENT, PAYING AGENT AND ESCROW AGENT

U.S. Bank Trust Company, National Association,
San Francisco, California

UNDERWRITER'S COUNSEL

Kutak Rock LLP
Denver, Colorado

ESCROW VERIFICATION

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

No Offering Except by This Official Statement. No dealer, broker, salesperson or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriter.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor may there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information in Official Statement. The information set forth in this Official Statement has been furnished by the District and other sources which are believed to be reliable, but it is not guaranteed as to accuracy or completeness.

Estimates and Forecasts**.** 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 herein, 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 information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

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

Stabilization of and Changes to Offering Prices. The Underwriter may overallot or take other steps that stabilize or maintain the market prices of the Bonds at levels above those that might otherwise prevail in the open market. If commenced, the Underwriter may discontinue such market stabilization at any time. The Underwriter may offer and sell the Bonds to certain securities dealers, dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside cover page of this Official Statement, and those public offering prices may be changed from time to time by the Underwriter.

Document Summaries. All summaries of the Bond Resolution or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

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

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

TABLE OF CONTENTS

[PAGE INTENTIONALLY LEFT BLANK]

OFFICIAL STATEMENT

$45,000,000*
MT. DIABLO UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
2023 Refunding General Obligation Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the 2023 Refunding General Obligation Bonds (the **"Bonds"**) by the Mt. Diablo Unified School District (the "**District**") of Contra Costa County (the **"County"**), State of California (the **"State"**).

INTRODUCTION

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

The District. The District was established on July 1, 1949, and is located approximately 30 miles east of San Francisco in the northwestern portion of the County. The District covers approximately 150 square miles and encompasses an estimated population of about 275,400 residents including all of the cities of Concord, Pleasant Hill, and Clayton, portions of the cities of Walnut Creek, Pittsburg and Martinez, and unincorporated communities of the County including Pacheco and Bay Point. The District provides transitional kindergarten through twelfth grade education services, with 31 elementary schools, 9 middle schools, 5 high schools, 17 alternative schools and 2 adult education schools. The District's enrollment for fiscal year 2022-23 is approximately 28,657 students. The total assessed value in the District in fiscal year 2022-23 is over $51 billion. For more information regarding the District and its finances, see APPENDIX A and APPENDIX B hereto. See also APPENDIX C for demographic and other statistical information regarding the City of Concord and the County.

Purposes. The proceeds of the Bonds will be used to provide funds to refinance on a current basis certain outstanding general obligation bonds of the District, and to pay related costs of issuance. See "THE REFINANCING PLAN" herein.

Authority for Issuance of the Bonds. The Bonds are being issued pursuant to applicable provisions of the Government Code of the State, commencing with Section 53506 thereof, and pursuant to a resolution adopted by the Board of Education of the District on March 22, 2023 (the "**Bond Resolution**"). See "THE BONDS - Authority for Issuance" herein.

Payment and Registration of the Bonds. The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See "THE BONDS" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

**Preliminary; subject to change.*

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption" and "– Mandatory Sinking Fund Redemption."

Security and Sources of Payment for the Bonds. The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property located in the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of interest on, and principal of, the Bonds upon all property subject to taxation by the District, without limitation of rate or amount (except with respect to certain personal property which is taxable at limited rates). See "SECURITY FOR THE BONDS."

The District has other series of general obligation bonds outstanding that are payable from *ad valorem* property taxes levied on taxable property in the District. See "DEBT SERVICE SCHEDULES" and Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Existing Debt Obligations – General Obligation Bonds".

The District can make no representation regarding the affect that the COVID-19 pandemic may have on the assessed valuation of property within the District. See "SECURITY FOR THE BONDS – Disclosure Regarding COVID-19."

Legal Matters. Issuance of the Bonds is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, as bond counsel (**"Bond Counsel"**), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, will also serve as Disclosure Counsel to the District (**"Disclosure Counsel"**). Payment of the fees of Bond Counsel and Disclosure Counsel is contingent upon issuance of the Bonds.

Tax Matters. In the opinion of Bond Counsel, interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto for the form of Bond Counsel's opinion to be delivered concurrently with the Bonds.

Bond Insurance. The District expects to qualify the Bonds for municipal bond insurance and will make a determination upon the sale of the Bonds as to whether to obtain said insurance.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate executed in connection with the Bonds. The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE" herein.

COVID-19 Statement. The COVID-19 pandemic commenced in approximately March 2020 and resulted in a public health crisis that has been fluid and unpredictable with unknown financial and economic impacts. Notwithstanding that several vaccines and boosters have been developed for COVID-19 and are generally widely available, investors continue to be cautioned that the District cannot predict the full impacts that the COVID-19 pandemic may have had or will continue to have, either directly or indirectly, on its operations, including its finances, property values and other matters. For more disclosure regarding the COVID-19 pandemic, see "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19 Pandemic" herein. See also references to COVID-19 in Appendix A under the heading "GENERAL INFORMATION ABOUT THE DISTRICT" and "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available from the District from the Superintendent's Office at Mt. Diablo Unified School District, 1936 Carlotta Drive, Concord, California, 94519, Telephone: (925) 682-8000. The District may impose a charge for copying, mailing and handling.

END OF INTRODUCTION

Remainder of page intentionally left blank.

THE REFINANCING PLAN

The Prior Bonds

As described herein, the net proceeds of the Bonds will be used to refund certain maturities of the District's outstanding general obligation bonds on a current basis, being certain maturities of the following bonds (the **"Prior Bonds"**):

- Mt. Diablo Unified School District (Contra Costa County, California), General Obligation Refunding Bonds, Election of 2002, Series C, issued on April 10, 2013 in the original principal amount of $54,015.000.

The Refunded Bonds

The following tables identify the maturities of the Prior Bonds expected to be refunded with the proceeds of the Bonds (the **"Refunded Bonds"**).

MT. DIABLO UNIFIED SCHOOL DISTRICT
Identification of Refunded Bonds*

Maturities Payable from Escrow	CUSIP†	Interest Rate	Principal Amount	Redemption Date	Redemption Price
				08/01/2023	100.00%
				08/01/2023	100.00
				08/01/2023	100.00
				08/01/2023	100.00
				08/01/2023	100.00
				08/01/2023	100.00
				08/01/2023	100.00
Total:	--			--	--

**Preliminary; subject to change.*
† CUSIP Copyright American Bankers Association. CUSIP data herein is provided by FactSet Research Systems Inc. Neither the District nor the Underwriter is responsible for the accuracy of such data.

Deposits in Escrow Fund

The District will deliver the net proceeds of the Bonds to __________, as escrow bank (the "**Escrow Agent**"), for deposit in an escrow fund (the "**Escrow Fund**") established under an Escrow Agreement (the "**Escrow Agreement**"), between the District and the Escrow Agent. The Escrow Agent will hold such funds in cash and/or invest such funds in certain United States Treasury notes, bonds, bills or certificates of indebtedness, or obligations issued by any agency or department of the United States which are secured, directly or indirectly, by the full faith and credit of the United States ("**Escrow Fund Securities**") and will apply such funds, together with interest earnings on the investment of such funds in Escrow Fund Securities, to pay the principal of and interest on the Refunded Bonds, including the redemption price of the Refunded Bonds, as set forth above, together with accrued interest to the redemption date identified above.

Sufficiency of the deposits in the Escrow Fund for the foregoing purposes will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the **"Verification Agent"**). See "VERIFICATION OF MATHEMATICAL ACCURACY" herein. As a result of the deposit of funds with the Escrow Agent on the date of issuance of the Bonds, the Refunded Bonds will be legally defeased and will be payable solely from amounts held for that purpose under the Escrow Agreement, and will cease to be secured by *ad valorem* property taxes levied in the District.

The Escrow Fund Securities and cash held by the Escrow Agent in the Escrow Fund are pledged solely to the payment of the Refunded Bonds, and will not be available for the payment of debt service with respect to the Bonds.

SOURCES AND USES OF FUNDS

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

MT. DIABLO UNIFIED SCHOOL DISTRICT
Source and Uses of Funds

Sources of Funds
Principal Amount of Bonds
Plus Original Issue Premium/Less Original Issue Discount
Total Sources

Uses of Funds
Deposit to Escrow Fund
Costs of Issuance(1)
Total Uses

(1) All estimated costs of issuing the Bonds including, but not limited to, fees of Bond Counsel and Disclosure Counsel, the Municipal Advisor, the Paying Agent, the bond insurer, if any, the Underwriter and the rating agency.

Remainder of page intentionally left blank.

THE BONDS

Authority for Issuance

The Bonds will be issued pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the **"Bond Law"**) and pursuant to the Bond Resolution.

Description of the Bonds

The Bonds mature in the years and in the amounts as set forth on the inside cover page hereof. The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company ("**DTC**"). See "-Book-Entry Only System" below and "APPENDIX F – DTC AND THE BOOK-ENTRY ONLY SYSTEM."

The Bonds accrue interest at the interest rates set forth on the inside cover hereof computed on the basis of a 360-day year consisting of twelve 30-day months, which is payable on a current basis. The Bonds shall be issued in the denominations of $5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2023 (each, an **"Interest Payment Date"**). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the fifteenth (15^{th}) day of the month preceding the Interest Payment Date (each, a **"Record Date"**), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2023 in which event it will bear interest from the date of delivery of the Bonds identified on the cover page hereof. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by U.S. Bank Trust Company, National Association, San Francisco, California (the "**Paying Agent**") to DTC for subsequent disbursement to DTC Participants who will remit such payments to the Beneficial Owners of the Bonds.

Book-Entry Only System

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("**DTC**"). Purchasers of the Bonds (the "**Beneficial Owners**") will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants which will remit such payments to the Beneficial Owners of the Bonds.

As long as DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice. See "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

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

Optional Redemption*

The Bonds maturing on or after August 1, 20__ are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 20__, or on any date thereafter, at a price equal to 100% of the principal amount thereof, together with accrued interest to the redemption date, without premium.

For the purpose of selection for optional redemption, Bonds will be deemed to consist of $5,000 portions principal amount and any such portion may be separately redeemed. Whenever less than all of the outstanding Bonds of any one maturity are designated for redemption, the Paying Agent shall select the outstanding Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Bond will be deemed to consist of individual bonds of $5,000 principal amounts. The Bonds may all be separately redeemed.

Mandatory Sinking Fund Redemption*

The Bonds maturing on August 1, 20__ (the **"Term Bonds"**), are subject to mandatory sinking fund redemption on August 1 of each year in accordance with the schedule set forth below. The Term Bonds so called for mandatory sinking fund redemption shall be redeemed in the sinking fund payments amounts and on the dates set forth below, without premium.

$_________ Term Bonds
Maturing August 1, 20__

Redemption Date (August 1)	Sinking Fund Redemption Amount

If any Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds will be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Notice of Redemption

The Paying Agent is required to give notice of the redemption of the Bonds, at the expense of the District, at least 20 days but not more than 60 days prior to the date fixed for redemption. Such notice may be a conditional notice of redemption and subject to rescission as described below. Notice of any redemption of Bonds shall identify the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds

**Preliminary; subject to change.*

of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Neither failure to receive or failure to send any notice of redemption nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds.

Partial Redemption of Bonds

Upon the surrender of any Bond redeemed in part only, the Paying Agent shall execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in transfer amounts to the unredeemed portion of the Bond surrendered. Such partial redemption shall be valid upon payment of the amount required to be paid to such Owner, and the County and the District shall be released and discharged thereupon from all liability to the extent of such payment.

Right to Rescind Notice of Redemption

The District has the right to rescind any notice of the optional redemption of Bonds by written notice to the Paying Agent on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption. The District and the Paying Agent have no liability to the Bond owners or any other party related to or arising from such rescission of redemption. The Paying Agent shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent under the Bond Resolution.

Registration, Transfer and Exchange of Bonds

If the book entry system is discontinued, the District shall cause the Paying Agent to maintain and keep at its principal corporate trust office all books and records necessary for the registration, exchange and transfer of the Bonds.

If the book entry system is discontinued, the person in whose name a Bond is registered on the Bond Register shall be regarded as the absolute owner of that Bond. Payment of the principal of and interest on any Bond shall be made only to or upon the order of that person; neither the District, the County nor the Paying Agent shall be affected by any notice to the contrary, but the registration may be changed as provided in the Bond Resolution.

Bonds may be exchanged at the principal corporate trust office of the Paying Agent in San Francisco, California for a like aggregate principal amount or Maturity Value of Bonds of authorized denominations and of the same series and maturity. Any Bond may, in accordance with its terms, but only if (i) the District determines to no longer maintain the book entry only status of the Bonds, (ii) DTC determines to discontinue providing such services and no successor securities depository is named or (iii) DTC requests the District to deliver Bond certificates to particular DTC Participants, be transferred, upon the books required to be kept pursuant to the provisions of the Bond Resolution, by the person in whose name it is registered, in person or by their duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed.

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance

The Bonds may be paid by the District, in whole or in part, in any one or more of the following ways:

(a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;

(b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or

(c) by delivering such Bonds to the Paying Agent for cancellation by it.

Whenever in the Bond Resolution it is provided or permitted that there be deposited with or held in trust by the Paying Agent money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may be held by the Paying Agent or by any other fiduciary. Such money or securities may include money or securities held by the Paying Agent in the funds and accounts established under the Bond Resolution and will be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the County and the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption is given as provided in the Bond Resolution or provision satisfactory to the Paying Agent is made for the giving of such notice.

Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), then all liability of the County and the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As defined in the Bond Resolution, the term **"Federal Securities"** means (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; (b) any obligations the timely payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a); (c) the interest component of Resolution Funding Corporation strips which have been stripped by request to the Federal Reserve Bank of New York in book-entry form; (d) pre-refunded municipal bonds rated in the highest rating category by any Rating Agency; and (e) bonds, debentures, notes or other evidence of indebtedness issued or guaranteed by any of the following federal agencies: (i) direct obligations or fully guaranteed certificates of beneficial ownership of the U.S. Export-Import Bank; (ii) certificates of beneficial ownership of the Farmers Home Administration; (iii) participation certificates of the General Services Administration; (iv) Federal Financing Bank bonds and debentures; (v) guaranteed Title XI financings of the U.S. Maritime Administration; (vi) project notes, local authority bonds, new communities debentures and U.S. public housing notes and bonds of the U.S. Department of Housing and Urban Development; and (vi) obligations of the Federal Home Loan Bank (FHLB).

DEBT SERVICE SCHEDULES

Debt Service on the Bonds. The following table shows the debt service schedule with respect to the Bonds, assuming no optional redemptions.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Bond Annual Debt Service Schedule

Bond Year Ending August 1	Principal	Interest	Total
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
Total			

General Obligation Bond Combined Debt Service. The District has other series of general obligation bonds and refunding bonds outstanding. The following table shows the combined debt service schedule with respect to the District's outstanding general obligation bonds and the Bonds, assuming no optional redemptions. See "APPENDIX A - GENERAL AND FINANCIAL INFORMATION FOR THE MT. DIABLO UNIFIED SCHOOL DISTRICT– DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations" for additional information.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Combined Debt Service Schedule

Period Ending (Aug. 1)	Outstanding GO Bonds Annual Debt Service	The Bonds	Aggregate Annual Debt Service
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
TOTAL			

SECURITY FOR THE BONDS

Ad Valorem Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property within the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates). The District has other series of general obligation bonds outstanding. See "DEBT SERVICE SCHEDULES" above and in Appendix A under the heading "GENERAL AND FINANCIAL INFORMATION FOR THE MT. DIABLO UNIFIED SCHOOL DISTRICT – DISTRICT FINANCIAL INFORMATION - Existing Debt Obligations."

In no event is the District obligated to pay principal of and interest on the Bonds out of any funds or properties of the District other than from *ad valorem* taxes levied upon all taxable property in the District; provided, however, nothing in the Bond Resolution prevents the District from making advances of its own moneys howsoever derived to any of the uses or purposes permitted by law.

Other Debt Payable from Ad Valorem Property Taxes. In addition to the Bonds and the District's other outstanding general obligation bonds, there is other debt issued by entities within the jurisdiction of the District, which is payable from *ad valorem* taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "– Direct and Overlapping Debt Obligations" below.

Levy, Collection and Pledge of Taxes. The County will levy and collect such *ad valorem* taxes in such amounts and at such times as are necessary to ensure the timely payment of debt service on the Bonds. Such taxes, when collected, will be deposited into the Debt Service Fund for the Bonds, which is maintained by the County and which is irrevocably pledged for the payment of principal of and interest on the Bonds when due.

District property taxes are assessed and collected by the County in the same manner and at the same time, and in the same installments as other *ad valorem* taxes on real property, and will have the same priority, become delinquent at the same times and in the same proportionate amounts, and bear the same proportionate penalties and interest after delinquency, as do the other *ad valorem* taxes on real property.

Statutory Lien on Ad Valorem Tax Revenues. Pursuant to Senate Bill 222 effective January 1, 2016, voter-approved general obligation bonds which are secured by *ad valorem* tax collections, including the Bonds, are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien attaches automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the school district or community college district, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act.

Annual Tax Rates. The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate.

Economic and other factors beyond the District's control, such as economic recession, pandemic, deflation of property values, a relocation out of the District or financial difficulty or bankruptcy by one or more major property taxpayers, or the complete or partial destruction of taxable property caused by, among other eventualities, earthquake, flood, fire, drought or other natural disaster, could cause a reduction in the assessed value within the District and necessitate a corresponding increase in the annual tax rate. See "PROPERTY TAXATION – Assessed Valuations – Factors Relating to Increases/Decreases in Assessed Value." See also below under the heading "– Disclosure Relating to COVID-19 Global Pandemic."

Debt Service Fund

The County will establish a debt service fund for the Bonds (the **"Debt Service Fund"**) into which will be deposited the collections of *ad valorem* property taxes, which shall be used only for payment of principal of and interest on the Bonds. Interest earnings on the investment of monies held in the Debt Service Fund will be retained in the Debt Service Fund and used to pay the principal of and interest on the Bonds when due. Pursuant to the Bond Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. The County will transfer amounts in the Debt Service Fund to the Paying Agent to the extent necessary to enable the District to pay the principal of and interest on the Bonds as the same becomes due and payable. Any moneys remaining in the Debt Service Fund after payment of the Bonds including the interest thereon have been paid, will be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, will be transferred to the District's general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

Not a County Obligation

The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment of principal and interest on the Bonds. Although the County is obligated to collect the *ad valorem* tax for the payment of the Bonds and deliver to the Paying Agent the debt service due on the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

Disclosure Relating to COVID-19 Global Pandemic

Background. Coronavirus disease (**"COVID-19"**) is an infectious disease caused by a virus generally causing respiratory illness and other symptoms which range from mild to fatal. The United States Secretary of Health and Human Services declared a public health emergency on January 31, 2020. In response to COVID-19, then-President Trump proclaimed that as of March 1, 2020 the COVID-19 outbreak constituted a national emergency, and the World Health Organization declared the outbreak of COVID-19 a pandemic on March 11, 2020. Subsequent thereto, actions to slow transmission of COVID-19 were taken by governmental bodies and authorities, including stay-at-home orders, mask mandates, quarantine requirements and travel restrictions, among others. Healthcare systems experienced periods of strain. As quarantine and gathering restrictions were lifted, global economies experienced certain supply chain disruptions and increases in inflation. As of this date, several vaccines and vaccine boosters have been provided approval by federal health authorities for use in the United States, as well as by authorities in other nations, and are generally widely available.

Federal Responses to COVID-19 Pandemic. To address the challenges that have arisen due to the COVID-19 pandemic, the federal government adopted several aid packages including:

Coronavirus Preparedness and Response Supplemental Appropriations Act (March 6, 2020): A $8.3 billion emergency supplemental appropriations package to enhance the national response to COVID-19, including public health funds for preparedness and response and for research.

Families First Coronavirus Response Act (March 18, 2020): A federal relief package ($100 billion) responding to the COVID-19 outbreak by providing paid sick leave, tax credits, and free COVID-19 testing, expanding food assistance and unemployment benefits, and increasing Medicaid funding.

CARES Act (March 27, 2020): The Coronavirus Aid, Relief, and Economic Security Act (the **"CARES Act"**) provided $2 trillion in federal spending and loans toward coronavirus relief efforts, representing the largest rescue package in U.S. history. Along with funding a wide range of emergency appropriations, the legislation also allocated hundreds of billions in loans and grants to major industries and small businesses, direct cash payments to taxpayers and significantly expanded unemployment benefits. This funding allocation included approximately $13.5 billion in formula funding to make grants available to each state's educational agency in order to facilitate K-12 schools' responses to the COVID-19 pandemic.

Federal Reserve Programs Implemented (April 9, 2020): The Federal Reserve took actions aimed at providing up to $2.3 trillion in loans to support the national economy, including supplying liquidity to participating financial institutions in the Small Business Administration's (**"SBA"**) Paycheck Protection Program (**"PPP"**), purchasing up to $600 billion in loans through the Main Street Lending Program and offering up to $500 billion in lending to states and municipalities.

Paycheck Protection Program (April 24, 2020): $484 billion federal aid package which primarily renewed funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants and funding for a COVID-19 testing program.

Consolidated Appropriations Act (December 27, 2020): The Coronavirus Response and Consolidated Appropriations Act continued many of the programs implemented with the CARES Act as part of a $900 billion federal relief package. It provided additional direct stimulus payments to individuals and families, extended unemployment benefits, expanded the PPP, and provided approximately $82 billion in supplemental aid to support the educational needs of states, school districts, and institutions of higher education, among other stimulus measures.

American Rescue Plan (March 11, 2021): The American Rescue Plan Act of 2021 (the **"ARP Act"**), a $1.9 trillion economic stimulus plan providing additional stimulus checks to individuals and families, extending federal supplemental unemployment benefits, providing more funding for state and local governments, expanding subsidies for healthcare insurance, and provide additional funding for COVID-19 testing, vaccination, and treatment, among several other provisions. With respect to relief for educational agencies, it included grants of $125.8 billion for states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. It provides that states that receive the grants cannot reduce their spending levels on education as a proportion of their budgets during fiscal years 2022 or 2023, compared with the average level from fiscal years 2017 through 2019.

State Responses to COVID-19 Pandemic. At the State level, to address some of the challenges that have arisen due to the COVID-19 pandemic, legislative actions include:

$1.1 Billion in Emergency Coronavirus funding (March 16, 2020): The State legislature passed $1.1 billion in general purpose spending authority providing emergency funds to respond to the pandemic, which was signed by the Governor on March 17, 2020.

$7.6 Billion Coronavirus Relief Package (February 23, 2021): The Governor signed legislation providing $7.6 billion in State funding aimed at helping individuals and businesses that were not included in federal aid packages, which included sending rebates to low-income, disabled and undocumented persons when 2020 taxes were filed, $2 billion in grants for small business, $35 million for food and diaper banks and $400 million in subsidies for childcare providers.

Educational Agencies and the COVID-19 Pandemic. Impacts on school districts from the COVID-19 pandemic include:

Remote Learning; Attendance and Enrollment. In-person classroom instruction throughout State schools was generally suspended from March 2020 through the end of the 2019-20 academic year. The 2020-21 academic year included significant amounts of distance learning as opposed to in-person instruction due to State and local restrictions and recommendations. The 2021-22 academic year generally commenced with in-person learning with an independent study option. Impacts of remote learning include difficulty in tracking and maintaining average daily attendance figures. Several school districts also experienced unplanned declines in enrollment, due to home schooling and families moving out of the State, among other reasons.

Senate Bill 117 (March 17, 2020): Legislation which effectively held school districts harmless from funding losses that could result from attendance issues under the State's education funding formula. See Appendix A under the heading "DISTRICT FINANCIAL INFORMATION – Education Funding Generally."

Safe Schools for All Plan (December 30, 2020): The Governor announced a plan aimed at incentivizing schools to offer in-person learning, also implemented with Senate and Assembly Bill 86. The plan provided schools with financial incentives totaling $2 billion to offer in-person instruction beginning April 1, 2021, and after May 15, eligibility ceased. Funds obtained were primarily to be spent on purposes consistent with providing in-person instruction, including COVID-19 testing, cleaning, personal protective equipment, facility needs, staffing costs, and social and mental health supports provided in conjunction with in-person instruction. Districts were required to continue to offer distance learning options.

State's Fiscal Years 2021-22 and 2022-23 Budgets and Related Legislation: The two most recent State budgets have provided historic levels of funding for educational purposes. Funding is aimed at the expansion of transitional kindergarten, funding of community wellness and student health hubs on campuses, expanded learning programs and increased special education funding, and minimizing the impacts that reductions in average daily attendance resulting from the COVID-19 pandemic might have on a school district's funding entitlement.

For more information on the District's response to the COVID-19 pandemic, see Appendix A under the heading "GENERAL INFORMATION ABOUT THE DISTRICT - District's Response to COVID-19 Pandemic."

Disclaimer Regarding COVID-19 Pandemic. Notwithstanding that several vaccines and boosters have been developed for COVID-19 and are generally widely available, investors continue to be cautioned that the District cannot predict the full impacts that the COVID-19 pandemic may have had or will continue to have, either directly or indirectly, on its operations, including its finances, property values and other matters.

General Obligation Bonds Secured by* Ad Valorem *Property Tax Revenues. Notwithstanding the foregoing information regarding the COVID-19 pandemic, the Bonds described herein are voter-approved general obligations of the District payable solely from the levy and collection of *ad valorem* property taxes, unlimited as to rate or amount, levied in the District. The Bonds are not payable from the general fund of the District. The District cannot predict the direct or indirect impacts that the COVID-19 pandemic might have on local property values or tax collections. See "SECURITY FOR THE BONDS – *Ad Valorem* Taxes" and "PROPERTY TAXATION – Property Tax Collection Procedures" and "--Tax Levies and Delinquencies; Teeter Plan" herein.

PROPERTY TAXATION

Property Tax Collection Procedures

Generally. In California, property which is subject to *ad valorem* taxes is classified as "secured" or "unsecured." The "secured roll" is that part of the assessment roll containing (1) state assessed public utilities' property and (2) property the taxes on which are a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. A tax levied on unsecured property does not become a lien against such unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens arising pursuant to State law on such secured property, regardless of the time of the creation of the other liens. Secured and unsecured property are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. In addition, property on the secured roll with respect to which taxes are delinquent is declared tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of the delinquent taxes and a delinquency penalty, plus a redemption penalty of 1-1/2% 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 county in which the property is located.

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, Senate Bill 813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, Senate Bill 813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent, if unpaid on the following August 31. A 10% penalty is also attached to delinquent taxes in respect of property on the unsecured roll, and further, an additional penalty of 1-1/2% per month accrues with respect to such taxes beginning the first day of the third month following the delinquency date. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the county recorder's office, in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee. The exclusive means of enforcing the payment of delinquent taxes in respect of property on the secured roll is the sale of the property securing the taxes for the amount of taxes which are delinquent.

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict whether future amendments or orders will occur, and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

The State Constitution provides that most classes of property owned or used by regulated utilities be assessed by the State Board of Equalization ("**SBE**") and taxed locally. Property valued by the SBE as an operating unit in a primary function of the utility taxpayer is known as "unitary property", a concept designed to permit assessment of the utility as a going concern rather than assessment of each individual element of real and personal property owned by the utility taxpayer. State-assessed unitary and "operating nonunitary" property (which excludes nonunitary property of regulated railways) is allocated to the counties based on the situs of the various components of the unitary property. Except for unitary property of regulated railways and certain other excepted property, all unitary and operating nonunitary property is taxed at special county-wide rates and tax proceeds are distributed to taxing jurisdictions according to statutory formulae generally based on the distribution of taxes in the prior year.

Remainder of page intentionally left blank.

Historic Assessed Valuations

General. The assessed valuation of property in the District is established by the Assessor of the County, except for public utility property which is assessed by the State Board of Equalization, as described above. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. For a discussion of how properties currently are assessed, see Appendix A under the heading "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS."

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

The following table sets forth historical assessed value in the District.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Assessed Valuations of All Taxable Property
Fiscal Year 2001-02 through Fiscal Year 2022-23

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2001-02	$19,501,805,860	$15,111,986	$899,543,508	$20,416,461,174	--
2002-03	20,950,443,237	14,591,990	942,041,048	21,892,484,285	7.23%
2003-04	22,705,133,044	6,252,431	920,522,887	23,631,908,362	7.95
2004-05	24,434,456,724	6,489,435	868,334,641	25,309,280,800	7.10
2005-06	26,500,394,364	7,186,091	942,384,927	27,449,965,382	8.46
2006-07	29,196,571,252	6,300,577	951,192,569	30,154,064,398	9.85
2007-08	31,650,036,905	4,180,952	964,357,554	32,618,575,411	8.17
2008-09	31,738,225,590	3,832,225	1,062,848,164	32,804,905,979	0.57
2009-10	29,639,009,735	3,832,225	1,051,293,746	30,694,135,706	-6.43
2010-11	28,924,776,672	7,279,811	974,038,398	29,906,094,881	-2.57
2011-12	28,609,334,442	6,768,296	934,855,683	29,550,958,421	-1.19
2012-13	27,968,639,633	6,768,296	912,822,483	28,888,230,412	-2.24
2013-14	29,445,989,430	5,332,256	885,862,726	30,337,184,412	5.03
2014-15	32,106,950,096	5,221,838	922,809,547	33,034,981,481	8.87
2015-16	34,400,962,547	5,221,838	969,180,826	35,375,365,211	7.08
2016-17	36,236,051,218	1,407,638	994,773,478	37,232,232,334	5.25
2017-18	38,234,525,030	1,397,638	1,108,253,137	39,344,175,805	5.67
2018-19	40,625,429,907	7,000,667	1,266,540,483	41,898,971,057	6.49
2019-20	42,860,000,266	6,885,667	1,318,638,471	44,185,524,404	5.46
2020-21	44,840,172,454	6,875,667	1,385,131,127	46,232,179,248	4.63
2021-22	46,212,156,318	6,815,667	1,523,102,664	47,742,074,649	3.27
2022-23	49,693,940,588	10,813,958	1,607,405,189	51,312,159,735	7.47

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters which include but are not limited to earthquakes, fires/wildfires, floods, drought, mudslides and the consequences of climate change such as heat waves, droughts, sea level rise and floods, which could have an impact on assessed values. The State including the region the District is located has in recent years experienced significant natural disasters such as earthquakes, droughts, mudslides and floods.

Public health disasters such as the COVID-19 pandemic could also have direct and indirect impacts on economic conditions and property values.

Future Conditions and Disasters Cannot be Predicted. The District cannot predict or make any representations regarding the effects that any natural or manmade disasters, including health disasters such as the COVID-19 pandemic, and the effects of climate change, and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Assessed Value by Jurisdiction

[2022-23 table on order]

The following table shows assessed value by jurisdiction in the District for fiscal year 2022-23.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Assessed Value by Jurisdiction
Fiscal Year 2021-22

Jurisdiction:	Assessed Valuation in School District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in School District
City of Clayton	$ 2,534,342,670	5.31%	$2,534,342,670	100.00%
City of Concord	19,511,536,431	40.87	$19,511,536,431	100.00%
City of Martinez	2,542,782,356	5.33	$6,847,997,720	37.13%
City of Pittsburg	1,948,698,703	4.08	$8,453,333,169	23.05%
City of Pleasant Hill	7,307,680,754	15.31	$7,307,680,754	100.00%
City of Walnut Creek	8,416,342,897	17.63	$21,679,192,799	38.82%
Unincorporated Contra Costa County	5,480,690,838	11.48	$44,022,520,483	12.45%
Total District	$47,742,074,649	100.00%		
Contra Costa County	$47,742,074,649	100.00%	$234,056,282,127	20.40%

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

Parcels by Land Use

The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2022-23.

[2022-23 table on order]

MT. DIABLO UNIFIED SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2021-22

	2021-22 Assessed Valuation (1)	% of Total	No. of Parcels	% of Total	No. of Taxable Parcels	% Total
Non-Residential:						
Agricultural/Rural	$ 127,377,333	0.28%	156	0.18%	149	0.17%
Commercial/Office	5,617,686,178	12.16	1,584	1.81	1,566	1.82
Vacant Commercial	61,967,574	0.13	128	0.15	117	0.14
Industrial	2,947,276,361	6.38	556	0.64	552	0.64
Vacant Industrial	49,869,966	0.11	73	0.08	73	0.09
Recreational	116,812,204	0.25	90	0.10	90	0.10
Government/Social/Institutional	91,559,145	0.20	1,529	1.75	736	0.86
Miscellaneous	78,502,347	0.17	1,119	1.28	871	1.01
Subtotal Non-Residential	$9,091,051,108	19.67%	5,235	5.99%	4,154	4.84%
Residential:						
Single Family Residence	$29,831,300,211	64.55%	61,513	70.35%	61,460	71.56%
Condominium/Townhouse	4,400,165,516	9.52	17,039	19.49	17,020	19.82
Rural Residential	200,260,375	0.43	230	0.26	230	0.27
Mobile Home	19,756,595	0.04	801	0.92	801	0.93
2-4 Residential Units	386,954,987	0.84	730	0.83	730	0.85
5+ Residential Units/Apartments	2,186,350,795	4.73	591	0.68	571	0.66
Vacant Residential	96,316,731	0.21	1,296	1.48	915	1.07
Subtotal Residential	$37,121,105,210	80.33%	82,200	94.01%	81,727	95.16%
Total	$46,212,156,318	100.00%	87,435	100.00%	85,881	100.00%

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

Per Parcel Assessed Valuation of Single-Family Homes

The following table sets forth the per parcel assessed valuation of single-family homes in the District for fiscal year 2022-23, including the median and average assessed value per parcel.

[2022-23 table on order]

MT. DIABLO UNIFIED SCHOOL DISTRICT
Per Parcel Assessed Valuation of Single-Family Homes
Fiscal Year 2021-22

	No. of Parcels	2021-22 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	61,460	$29,831,300,211	$485,377	$444,123

2021-22 Assessed Valuation	No. of Parcels (1)	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	233	0.379	0.379	$ 7,791,767	0.026	0.026
$50,000 - $99,999	3,766	6.128	6.507	297,486,049	0.997	1.023
$100,000 - $149,999	3,726	6.062	12.569	461,542,824	1.547	2.571
$150,000 - $199,999	3,428	5.578	18.147	601,663,575	2.017	4.587
$200,000 - $249,999	3,914	6.368	24.515	882,844,386	2.959	7.547
$250,000 - $299,999	4,296	6.990	31.505	1,183,501,080	3.967	11.514
$300,000 - $349,999	4,109	6.686	38.191	1,335,750,066	4.478	15.992
$350,000 - $399,999	3,841	6.250	44.440	1,441,055,911	4.831	20.823
$400,000 - $449,999	3,844	6.254	50.695	1,633,706,252	5.476	26.299
$450,000 - $499,999	3,710	6.036	56.731	1,763,608,308	5.912	32.211
$500,000 - $549,999	3,639	5.921	62.652	1,910,864,787	6.406	38.617
$550,000 - $599,999	3,497	5.690	68.342	2,008,641,221	6.733	45.350
$600,000 - $649,999	3,383	5.504	73.846	2,113,531,532	7.085	52.435
$650,000 - $699,999	2,908	4.732	78.578	1,960,462,619	6.572	59.007
$700,000 - $749,999	2,600	4.230	82.808	1,882,724,077	6.311	65.318
$750,000 - $799,999	2,046	3.329	86.137	1,583,327,618	5.308	70.625
$800,000 - $849,999	1,650	2.685	88.822	1,359,983,631	4.559	75.184
$850,000 - $899,999	1,413	2.299	91.121	1,234,536,162	4.138	79.323
$900,000 - $949,999	1,119	1.821	92.942	1,034,094,968	3.466	82.789
$950,000 - $999,999	989	1.609	94.551	963,288,670	3.229	86.018
$1,000,000-and greater	3,349	5.449	100.000	4,170,894,708	13.982	100.000
	61,460	100.000%		$29,831,300,211	100.000%	

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

Reassessments and Appeals of Assessed Value

There are general means by which assessed values can be reassessed or appealed that could adversely impact property tax revenues within the District.

Appeals may be based on Proposition 8 of November 1978, which requires that for each January 1 lien date, the taxable value of real property must be the lesser of its base year value, annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution, or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" in Appendix A.

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the 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. These reductions are subject to yearly reappraisals and are adjusted back to their original values, adjusted for inflation, when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA.

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.

Proposition 8 reductions may also be unilaterally applied by the County Assessor. The District cannot predict the changes in assessed values that might result from pending or future appeals by taxpayers or by reductions initiated by the County Assessor. Any reduction in aggregate District assessed valuation due to appeals, as with any reduction in assessed valuation due to other causes, will cause the tax rate levied to repay the Bonds to increase accordingly, so that the fixed debt service on the Bonds (and other outstanding general obligation bonds, if any) may be paid.

Teeter Plan; Property Tax Collections

The Board of Supervisors of the County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the **"Teeter Plan"**), as provided for in Section 4701 *et seq.* of the California Revenue and Taxation Code. Under the Teeter Plan, each entity levying property taxes in the County may draw on the amount of uncollected secured taxes credited to its fund, in the same manner as if the amount credited had been collected. The District participates in the Teeter Plan, and thus receives 100% of secured property taxes levied in exchange for foregoing any interest and penalties collected on delinquent taxes.

So long as the Teeter Plan remains in effect, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County. However, under the statute creating the Teeter Plan, the Board of Supervisors can under certain circumstances terminate the Teeter Plan in part or in its entirety with respect to the entire County and, in addition, the Board of Supervisors can terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* property taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District.

The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "SECURITY FOR THE BONDS – Disclosure Relating to the COVID-19 Global Pandemic."

There can be no assurances that the County will continue the Teeter Plan in the future, or that the County will not discontinue the Teeter Plan or remove the District from the Teeter Plan in the future.

Notwithstanding the operation of the Teeter Plan, below is a summary of recent secured tax charges and delinquencies in the District for property taxes levied to repay outstanding general obligation bonds of the District.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2021-22

Tax Year	Secured Tax Charge	Amount Delinquent June 30	% Delinquent June 30
2015-16	$27,687,194	$176,493	0.64%
2016-17	27,492,244	154,467	0.56
2017-18	30,010,136	181,448	0.60
2018-19	37,493,183	227,666	0.61
2019-20	38,566,273	286,604	0.74
2020-21	40,515,712	322,381	0.80
2021-22	[on order]		

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

Tax Rates

The table below summarizes the total *ad valorem* property tax rates levied by all taxing entities in a typical tax rate area in the District for recent fiscal years.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Typical Total Tax Rates per $100 of Assessed Valuation (TRA 2-002*)

	2018-19	2019-20	2020-21	2021-22	2022-23
General	$1.0000	$1.0000	$1.0000	$1.0000	$1.0000
Bay Area Rapid Transit District	.0070	.0120	.0139	.0060	[on order]
East Bay Regional Park District	.0021	.0094	.0014	.0020	
Mount Diablo Unified School District	.0925	.0908	.0909	.0898	
Contra Costa Community College District	.0110	.0188	.0161	.0176	
Total	$1.1126	$1.1310	$1.1223	$1.1154	
Contra Costa Water District (Land Only)	$.0028	$.0026	$.0025	$.0023	

*2022-23 assessed valuation: $_________.
Source: California Municipal Statistics, Inc.

Top 20 Property Owners

The 20 taxpayers in the District with the greatest combined assessed valuation of taxable property on the fiscal year 2022-23 tax roll, and the assessed valuations thereof, are shown below.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater amount of tax collections are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records 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.

[2022-23 table on order]

MT. DIABLO UNIFIED SCHOOL DISTRICT
Top 20 Secured Property Taxpayers
Fiscal Year 2021-22

	Property Owner	Primary Land Use	2021-22 Assessed Valuation	% of Total [(1)]
1.	Tesoro Refining & Marketing Co.	Heavy Industrial	$ 490,392,037	1.06%
2.	Taubman Land Associates LLC	Regional Mall	297,939,233	0.64
3.	Concord Centercal LLC	Shopping Center	211,766,103	0.46
4.	Renaissance Res Holdings LLC	Apartments	152,630,872	0.33
5.	Concord Tech Center Property Owner	Office Building	150,541,931	0.33
6.	CSAA Inter-Insurance Bureau	Office Building	139,666,112	0.30
7.	Shadelands Park LLC	Shopping Center	125,054,598	0.27
8.	Willows Center Concord	Shopping Center	124,319,171	0.27
9.	Sequoia Equities-Concord PC	Apartments	120,952,351	0.26
10.	PH Crescent Drive Investors	Shopping Center	112,750,643	0.24
11.	Jamestown Concord Tech	Office Building	106,245,912	0.23
12.	Park Regency Partners	Apartments	102,779,018	0.22
13.	IMT Capital IV Pleasant Hill	Apartments	93,962,801	0.20
14.	235 Camelback LLC	Apartments	91,807,690	0.20
15.	Clayton Valley Shopping Center	Shopping Center	89,058,323	0.19
16.	San Marcos Properties LLC	Apartments	85,784,993	0.19
17.	Seecon Financial & Construction Co.	Office Building	83,596,463	0.18
18.	Center Shadelands LLC	Shopping Center	81,348,990	0.18
19.	Gonsalves & Santucci Inc.	Industrial	81,209,548	0.18
20.	Sierra Pacific Properties Inc.	Office Building	77,883,375	0.17
			$2,819,690,164	6.10%

(1) 2021-22 local secured assessed valuation: $46,212,156,318.
Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. with respect to debt as of March 1, 2023 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.

MT. DIABLO UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of March 1, 2023

[on order]

BOND INSURANCE

The District expects to qualify the Bonds for municipal bond insurance and will make a determination upon the sale of the Bonds as to whether to obtain such insurance.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. Interest on the Bonds may be subject to the corporate alternative minimum tax.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "**Tax Code**") that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

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

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

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

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

Other Tax Considerations

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the Bonds, or as to the consequences of owning or receiving interest on the Bonds, as of any future date. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the Bonds, the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

Form of Opinion

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

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 that (i) questions the political existence of the District, (ii) contests the District's ability to receive *ad valorem* taxes or to collect other revenues or (iii) contests the District's ability to issue and retire the Bonds.

The District is subject to lawsuits and claims that have arisen and may arise in the normal course of operating the District. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under existing lawsuits and claims will not materially affect the financial position or operations of the District. The District cannot predict what types of claims may arise in the future.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, as Bond Counsel and Disclosure Counsel to the District, Isom Advisors, a Division of Urban Futures, Inc., as municipal advisor to the District, and Kutak Rock LLP, Denver, Colorado, as Underwriter's Counsel, is contingent upon issuance of the Bonds.

Disclaimer Regarding Cyber Risks

The District, like other public and private entities, relies on computer and other digital networks and systems to conduct its operations. As a recipient and provider of personal, private or other electronic sensitive information, the District may be the subject of cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized remote access to the District's systems for the purposes of misappropriating assets or information or causing operational disruption or damage, or demanding ransom for restored access to files or information.

[Update to be provided] The District has never had a major cyber breach that resulted in a financial loss. No assurance can be given that the District's current efforts to manage cyber threats and security will, in all cases, be successful. The District cannot predict what future cyber security events may occur and what impact said events could have on its operations or finances.

The District relies on other entities and service providers in the course of operating the District, including the County with respect to the levy and collection of ad valorem property taxes, as well as other trustees, fiscal agents and dissemination agents. No assurance can be given that future cyber threats and attacks against other third party entities or service providers will not impact the District and the owners of the Bonds, including the possibility of impacting the timely payments of debt service on the Bonds or timely filings pursuant to the Continuing Disclosure Certificate.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as Appendix E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an **"Annual Report"**) not later than nine months after the end of the District's fiscal year (which currently is June 30), commencing March 31, 2024 with the report for the 2022-23 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in "APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

[Update to be provided] The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District's outstanding general obligation bonds and other indebtedness (see information in APPENDIX A under the heading "DISTRICT FINANCIAL INFORMATION – Existing Debt Obligations"). In the previous five years, instances of noncompliance with existing undertakings are that a notice of rating change relating to a S&P rating upgrade that occurred in December 2017 was filed late in June 2018. In addition, the District filed its audited financial statements for fiscal year 2019-20 late on April 28, 2021 (filing due dates vary by series from February 25 to April 16), which resulted in the late filing of information regarding the summary of outstanding debt and pension plan contributions, although it did file its unaudited financial statements for fiscal year 2019-20 timely on February 28, 2021.

In order to assist in future timely compliance with its disclosure undertakings for its outstanding obligations and the Bonds, the District has contracted with Isom Advisors, a Division of Urban Futures, Inc. to serve as dissemination agent for the Bonds and the outstanding obligations of the District.

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

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to (a) the sufficiency of the anticipated amount of proceeds of the Bonds and other funds available to pay, when due, the principal and interest requirements of the Refunded Bonds and (b) the "yields" on the amount of proceeds held and invested prior to redemption of the Refunded Bonds and on the Bonds considered by Bond Counsel in connection with the opinion rendered by Bond Counsel that the Bonds are not "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended. See "THE REFINANCING PLAN."

The report of the Verification Agent will include the statement that the scope of their engagement is limited to verifying mathematical accuracy, of the computations contained in such schedules provided to them, and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

RATING

Moody's Investors Services (**"Moody's"**) has assigned a rating of "___" to the Bonds. The District has provided certain additional information and materials to Moody's (some of which does not appear in this Official Statement). Such rating reflects only the view of Moody's and an explanation of the significance of such rating and outlook may be obtained only from Moody's. There is no assurance that any credit ratings given to the Bonds will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "**Underwriter**"). The Underwriter has agreed to purchase the Bonds at the price of $_____, which is equal to the initial principal amount of the Bonds of $______, plus net original issue premium of $_______, less an Underwriter's discount of $______.

The purchase contracts relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased), and provides that the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell Bonds to certain securities dealers and others at prices lower than the offering prices stated on the inside cover page hereof. The offering prices may be changed by the Underwriter.

The Underwriter has entered into an agreement with its affiliate, Vining-Sparks IBG, LLC (**"Vining-Sparks"**) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to that distribution agreement, Vining-Sparks may purchase Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that Vining-Sparks sells.

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: ____
Chief Business Officer

APPENDIX A

GENERAL AND FINANCIAL INFORMATION FOR THE MT. DIABLO UNIFIED SCHOOL DISTRICT

*The information in this section concerning the operations of the Mt. Diablo Unified School District (the **"District"**), its operating budget and the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds (as defined herein) are payable solely from the proceeds of a voter-approved* ad valorem *tax required to be levied by the County of Contra Costa (the **"County"**) in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" in the main body of the Official Statement.*

GENERAL INFORMATION ABOUT THE DISTRICT

General Information

The District. The District was established on July 1, 1949, and is located approximately 30 miles east of San Francisco in the northwestern portion of the County. The District covers approximately 150 square miles and encompasses an estimated population of about 275,400 residents including all of the cities of Concord, Pleasant Hill, and Clayton, portions of the cities of Walnut Creek, Pittsburg and Martinez, and unincorporated communities of the County including Pacheco and Bay Point. The District provides transitional kindergarten through twelfth grade education services, with 31 elementary schools, 9 middle schools, 5 high schools, 17 alternative schools and 2 adult education schools. The District's enrollment for fiscal year 2022-23 is approximately 28,879 students.

There are four independent charter schools operating within District boundaries. One charter has been sponsored by the District since 2000, and is known as Eagle Peak Montessori Charter School, which began operations in 1996 and serves students in grades one through six and also has an adolescent program. The other charter schools are Clayton Valley Charter High School, Rocketship Mt. Diablo and Contra Costa County School of Performing Arts, which are not sponsored by the District. For demographic information regarding the Counties, see Appendix C hereto.

Administration

Board Members. The District is governed by a five-member Board of Education (the **"Board"**), each member of which is elected by trustee area to a four-year term. Elections for positions to the Board by trustee area 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 on the following table.

Name	Position	Term Expires
Keisha Nzewi	President	December 2024
Erin McFerrin	Vice President	December 2024
Cherise Khaund	Trustee	December 2026
Debra Mason	Trustee	December 2026
Linda Mayo	Trustee	December 2026

Source: Mt. Diablo Unified School District.

Superintendent and Administrative Personnel. The Superintendent of the District, appointed by the Board of Education, is responsible for management of the day-to-day operations and supervises the work of other District administrators. Adam Clark, Ed.D., is the District Superintendent and Lisa M. Gonzales, Ed.D., is the Chief Business Officer.

Recent Enrollment and ADA Trends

The following table shows historical enrollment and average daily attendance ("**ADA**") for the District.

The following table shows recent enrollment and average daily attendance ("**ADA**") history for the District.

ANNUAL ENROLLMENT AND AVERAGE DAILY ATTENDANCE
Fiscal Years 2015-16 through 2021-22
Mt. Diablo Unified School District

Fiscal Year	Student Enrollment	% Change	ADA	% Change
2015-16	32,005	--%	30,384	--%
2016-17	31,814	(0.6)	30,120	(0.9)
2017-18	31,317	(1.6)	29,708	(1.4)
2018-19	30,727	(1.9)	29,377	(1.1)
2019-20[1]	30,724	0.0	29,121	(0.9)
2020-21[1]	29,582	(3.7)	29,122	0.0
2021-22[1]				
2022-23[1] [2]				

(1) The COVID-19 pandemic commenced in approximately March 2020. Legislation was enacted to minimize the impacts on school district funding based on ADA. As such, ADA represents ADA for funding purposes and not actual ADA.
(2) Projection. ADA in fiscal year 2022-23 for funding purposes can be the higher of actual ADA, prior year ADA, or an average of the three prior years.
Source: Mt. Diablo Unified School District.

The District is experiencing declining enrollment. It has engaged a demographer, Davis Demographics, which provided a demographic study which will assist it in making future facilities and program planning decisions. For more information regarding this demographic study, see "DISTRICT FINANCIAL INFORMATION – District Budgeting and Interim Financial Reporting - District's Budget Approval/Disapproval and Certification History."

Employee Relations

The District has budgeted in fiscal year 2022-23, 1,593.5 full time equivalent ("**FTE**") certificated employees, 1,232.1 FTE classified employees and 227.4 management/Supervisor/Confidential FTE employees. Certificated employees, classified employees and District police officers are represented by employee bargaining units as follows:

Bargaining Unit	Type of Employees Covered	Contract Expiration Date
Mt. Diablo Education Assn. (**"MDEA"**)	Certificated - non-psychologists	6/30/2024
Mt. Diablo School Psychologist Assn.	Certificated - psychologists	6/30/2025
Teamsters Local Union #856	Classified - maint., oper., transport.	6/30/2023
Public Employees Union, Local #1	Classified - clerical, secret., tech.	6/30/2024
California School Employees Assn.	Classified - instruct. aide/campus supvsr	6/30/2025

Source: Mt. Diablo Unified School District.

Salary schedules are settled through fiscal year 2023-24 and are taken into account in the District's financial projections.

Insurance

The District is a member of Contra Costa County Schools Insurance Group ("**CCCSIG**"), CSAC Excess Insurance Authority ("**CSAC-EIA**"), the Schools' Self-Insurance of Contra Costa County ("**SSICCC**"), and the School Project for Utility Rate Reduction ("**SPURR**") through joint powers agreements ("**JPAs**"). The entities provide the District with property and liability insurance coverage, including coverage for cyber security incidents, as well as health and welfare benefits. Each entity is governed by a board consisting of a representative from each member district. The governing board controls the operations of its JPAs independent of any influence by the member districts beyond their representation on the governing board.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionately to its participation in the JPAs. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years and there were no significant reductions in insurance coverage from the prior year.

See "APPENDIX B –AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2021-22."

District's Response to COVID-19 Pandemic

The COVID-19 Pandemic commenced in approximately March 2020 and caused a health emergency which resulted in shelter in place orders and remote learning, among other consequences, throughout the State. The District took all required actions based on State-wide and local orders, as well as pursuant to recommendations of the County Office of Education. The District has resumed all in-person learning with independent study options, including for the 2022-23 academic year.

Federal and State legislation was enacted providing additional funding for educational agencies in order to respond the additional costs and services required as a result of the COVID-

19 pandemic. The District has received and/or been allocated a total combined amount of approximately $111 million from such programs. These funds have and will be spent in accordance with applicable guidelines, generally by no later than September 30, 2024.

DISTRICT FINANCIAL INFORMATION

The information in this and other sections concerning the District's operations and operating budget is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable from the proceeds of an ad valorem *tax required to be levied by the County in an amount sufficient for the payment thereof.*

Education Funding Generally

School districts in California (the "**State**") receive operating income primarily from two sources: the State funded portion which is derived from the State's general fund, and a locally funded portion, being the district's share of the one percent general *ad valorem* tax levy authorized by the California Constitution. As a result, decreases or deferrals in education funding by the State could significantly affect a school district's revenues and operations.

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of a district's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues. Districts which had local property tax revenues that exceeded their revenue limit entitlements were deemed a "Basic Aid District" and received full funding from local property tax revenues, and were entitled to keep those tax revenues which exceeded their revenue limit funding entitlement. A district which was not a Basic Aid District was known as a "Revenue Limit District."

The fiscal year 2013-14 State budget replaced the previous K-12 finance system with a new formula known as the Local Control Funding Formula (the **"LCFF"**). Under the LCFF, revenue limits and most state categorical programs were eliminated. School districts instead receive funding based on the demographic profile of the students they serve and gain greater flexibility to use these funds to improve outcomes of students. The LCFF creates funding targets based on student characteristics. For school districts and charter schools, the LCFF funding targets consist of grade span-specific base grants plus supplemental and concentration grants that reflect student demographic factors. The LCFF includes the following components:

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, 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 grades K-3 and the provision of career technical education in grades 9-12.

- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.

- An additional concentration grant of up to 65% (which was increased from 50% as part of the State's trailer bill to the 2021-22 State Budget - Assembly Bill 130) of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, 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 legislation implementing LCFF also included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

Funding levels used in the LCFF entitlement calculations for fiscal year 2022-23 are set forth in the following table.

Fiscal Year 2022-23 Base Grant Funding* Under LCFF by Grade Span

Entitlement Factor	TK/K-3	4-6	7-8	9-12
A. 2021-22 Base Grant per ADA	$8,093	$8,215	$8,458	$9,802
B. Base Grant Adjustment (A x 6.70%)	$542	$550	$567	$657
C. 2022-23 COLA for LCFF (A x 6.56%)	$531	$539	$555	$643
D. 2022-23 Base Grant per ADA before Grade Span Adjustments (A+B+C)	$9,166	$9,304	$9,580	$11,102
E. Grade Span Adjustments (K-3: D x 10.4%; 9-12: D x 2.6%)	$953	Not applicable	Not applicable	$289
F. 2022-23 Base Grant/Adjusted Base Grant per ADA (D + E)	$10,119	$9,304	$9,580	$11,391

*Add-ons to the Base Grant, as may be applicable, are: (1) Supplemental Grant: For the supplemental grant funding entitlement, for each grade span, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times Unduplicated Pupil Percentage, times 20%, (2) Concentration Grant: For the concentration grant funding entitlement, the calculation is the base grant or adjusted base grant per ADA, times total funded ADA, times portion of Unduplicated Pupil Percentage that exceeds 55%, times 65%, and (3) Transitional Kindergarten Add-On: For the TK add-on funding, the amount is the rate of $2,813 times the school district's current year TK ADA.
Source: California Department of Education.

The LCFF includes an accountability component. Districts are required to increase or improve services for English language learners, low income, and foster youth students in proportion to supplemental and concentration grant funding received. All school districts, county offices of education, and charter schools are required to develop and adopt local control and accountability plans, which identify local goals in areas that are priorities for the State, including pupil achievement, parent engagement, and school climate.

County superintendents review and provide support to the districts under their jurisdiction, and the Superintendent of Public Instruction performs a corresponding role for county offices of education. In addition, the State Budget for fiscal year 2013-14 created the California Collaborative for Education Excellence to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. Under the LCFF and related legislation, the State will continue to measure student achievement through statewide assessments, produce an Academic Performance Index for schools and subgroups of students, determine the contents of the school accountability report card, and establish policies to implement the federal accountability system.

Basic Aid or Community Supported districts are school districts which have local property tax revenues which exceed such district's funding entitlement under LCFF. As such, in lieu of State funding under LCFF, Basic Aid districts are entitled to keep the full share of local property tax revenues, even the amount which exceeds its funding entitlement under LCFF. The District's funding formula is currently determined pursuant to LCFF, and not as a Basic Aid district.

District Accounting Practices

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

District accounting is organized on the basis of funds, with each group consisting of a separate accounting entity. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

District expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

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

Financial Statements

General. The District's Audited Financial Statements for the fiscal year ending fiscal year 2021-22 were prepared Crowe LLP, Sacramento, California (the **"Auditor"**). Audited financial statements for the District for the fiscal year ended June 30, 2022 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix B hereto for the 2021-22 Audited Financial Statements. The District has not requested, and the auditor has not provided, any additional review of such financial statements in connection with their inclusion in the Official Statement. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District.

[Remainder of page intentionally left blank]

General Fund Revenues, Expenditures and Changes in Fund Balance. The District's general fund is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund. The following tables shows the audited income and expense statements for the District for the fiscal years 2017-18 through 2021-22.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2017-18 through 2021-22 (Audited)

	Audited 2017-18	Audited 2018-19	Audited 2019-20	Audited 2020-21	Audited 2021-22
SOURCES					
LCFF Sources	$262,765,793	$275,765,612	$276,642,774	$273,739,162	$294,188,626
Federal Revenue	17,082,524	17,228,788	16,574,473	40,981,415	35,389,544
Other State Revenue	50,150,954	70,621,193	54,711,006	67,830,890	82,324,107
Other Local Revenue	15,736,971	15,718,597	18,829,057	14,123,812	17,429,588
Total Revenue Limit	345,736,242	379,334,190	366,757,310	396,675,279	429,331,865
EXPENDITURES					
Certificated Salaries	165,653,635	160,925,543	155,797,743	150,480,840	155,784,196
Classified Salaries	56,473,388	55,992,305	53,204,857	49,269,765	51,966,641
Employee Benefits	92,835,553	111,991,896	102,747,930	98,388,178	104,018,742
Books and Supplies	15,750,598	13,228,043	8,877,106	11,399,985	20,676,153
Services, Other Operating Expenses	40,828,927	41,153,996	39,076,179	37,814,803	48,278,549
Other Outgo	2,499,775	2,254,123	1,983,411	1,289,322	1,010,866
Capital Outlay	3,004,545	1,762,537	3,124,809	4,234,603	3,913,398
Debt Service:					
Principal Retirement	533,054	445,128	2,020,654	1,735,149	2,825,000
Interest	39,881	28,224	980,773	1,025,787	774,425
Total Expenditures	377,619,356	387,781,795	367,813,462	355,638,432	389,247,190
Excess of (Deficiency) of Revenues Over Expenditures	(31,883,114)	(8,447,605)	(1,056,152)	41,036,847	40,084,675
OTHER FINANCING SOURCES					
Operating Transfers In	624,794	635,877	542,665	167,994	449,571
Operating Transfers Out	--	(229,139)	(860,764)	--	--
Total Other Financing Sources (uses)	624,794	406,738	(318,099)	167,994	449,571
Net Change in Fund Balance	(31,258,320)	(8,040,867)	(1,374,251)	41,204,841	40,534,246
Fund Balance, July 1	88,789,294	57,530,974	49,490,107	48,115,856	89,320,697
Fund Balance, June 30	$57,530,974	$49,490,107	$48,115,856	$89,320,697†	$129,854,943

†The primary cause of the increased fund balance is due to increase in grants and contributions from federal and State authorities.
Source: Mt. Diablo Unified School District.

District Budget and Interim Financial Reporting

Budgeting and Interim Reporting Procedures. State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Contra Costa County Superintendent of Schools (the **"County Superintendent"**). The County Superintendent is separate from the County, and is not an official of the County.

The County Superintendent must review and approve or disapprove the budget no later than August 15. The County Superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Trustees and identify technical corrections necessary to bring the budget into compliance with the established standards. If the budget is disapproved, it is returned to the District with recommendations for revision. The District is then required to revise the budget, hold a public hearing thereon, adopt the revised budget and file it with the County Superintendent no later than September 8. Pursuant to State law, the County Superintendent has available various remedies by which to impose and enforce a budget that complies with State criteria, depending on the circumstances, if a budget is disapproved. After approval of an adopted budget, the school district's administration may submit budget revisions for governing board approval.

Subsequent to approval, the County Superintendent will monitor each district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the district can meet its current or subsequent year financial obligations. If the County Superintendent determines that a district cannot meet its current or subsequent year obligations, the County Superintendent will notify the district's governing board of the determination and may then do either or both of the following: (a) assign a fiscal advisor to enable the district to meet those obligations or (b) if a study and recommendations are made and a district fails to take appropriate action to meet its financial obligations, the County Superintendent will so notify the State Superintendent of Public Instruction, and then may do any or all of the following for the remainder of the fiscal year: (i) request additional information regarding the district's budget and operations; (ii) after also consulting with the district's board, develop and impose revisions to the budget that will enable the district to meet its financial obligations; and (iii) stay or rescind any action inconsistent with such revisions. However, the County Superintendent may not abrogate any provision of a collective bargaining agreement that was entered into prior to the date upon which the County Superintendent assumed authority.

A State law adopted in 1991 (**"A.B. 1200"**) imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent 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 subsequent two fiscal years. A negative certification is assigned to any school district that is deemed 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 two subsequent fiscal years.

Under California law, any school district and office of education that has a qualified or negative certification in any fiscal year may not issue, in that fiscal year or in the next succeeding fiscal year, certificates of participation, tax anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the district, unless the applicable county superintendent of schools determines that the district's repayment of indebtedness is probable.

[To be reviewed/edited as appropriate]

District's Budget Approval/Disapproval and Certification History. In fiscal year 2021-22 and 2022-23, each of the District's interim reports have been certificated as positive, including its most recent interim report being the Second Interim Report for fiscal year 2022-23, which was presented to the Board on March 8, 2023 with a positive certification.

Because the District's Second Interim Financial Report for fiscal year 2019-20, and its First and Second Interim Financial Reports for fiscal year 2020-21, being three consecutive reports, were certified as qualified, the Fiscal Crisis and Management Assistance Team (**"FCMAT"**) was automatically engaged to perform a fiscal health risk analysis to determine the level of risk of insolvency. In its report dated July 29, 2021, FCMAT applied its Fiscal Health Risk Analysis in evaluating the District's fiscal health and risk of insolvency in the current and two subsequent fiscal years. Key summary findings as of the date of the report based on information available to FCMAT resulting in a designation of the District's solvency risk status as high include:

- The District's multiyear financial projections indicate its structural deficit will grow in the upcoming fiscal years, reducing the unrestricted general fund balance from approximately $47.5 million in 2020-21 to less than $27 million in 2022-23, and the District has not developed, adopted and taken action on a plan to reduce or eliminate this deficit spending.

- The District's fiscal strains and structural imbalance are attributed to many factors, the most significant being declining enrollment and the District's employee compensation burden. The District's projected revenues are built on increasing and stabilized enrollment rather than historical trends. Additionally, staffing ratios are not set and followed, and the District has not adjusted staffing to compensate for the declining number of students served.

- Employee compensation is higher than the State average, being 93-94% of expenditures as opposed to a State average of approximately 87-88%.

- Many actions have not been implemented and maintained relating to staffing reductions.

The District Board was presented with the FCMAT Report at its meeting on August 11, 2021, and since that time District staff commenced working with the Board to resolve areas and practices identified as needing improvement and updating, including creating a dashboard addressing progress on each of the FCMAT findings which continues to be regularly updated on the District website and other public platforms, as well as being presented to the Board on a regular basis.

Recent steps the District has taken to address a structural deficit are:

- On February 23, 2022, the District Board approved a schedule of program and staffing reductions which is estimated to result in general fund savings of $486,727 in the 2021-22 fiscal year, and $10,072,924 in the 2022-23 fiscal year, resulting in cumulative savings of $10,331,320.

- The District engaged Davis Demographics under a three year contract, which provided a demographic study of the District dated February 22, 2022. The study includes student population projections for fiscal years 2021-22 through 2031-32, including a study of development projects in the District and birthrates, which will inform the District with financial and facilities planning. The demographer will update its study during the terms of its contract. The study calculated a ten-year student population projection factoring current and historical student data with the latest demographic data and planned residential development information. Key items in the study are that enrollment is expected to decline annually for the next ten years if current trends continue, that there are fourteen projects under construction or planned within the District with as many as 1,145 residential units which could be built in the next seven years, a small increase in kindergarten classes is anticipated regardless of decreasing birth rates due to inward mobility, and high school and middle school enrollment has been decreasing annually the last several years, among others. The key items and updates to the study will inform the District as it makes decisions relating to facilities and program needs.

Copies of the District's budget, interim reports and certifications, including the FCMAT Report and the District's dashboard, may be obtained upon request from the District Office at 1936 Carlotta Drive, Concord, California 94519: telephone (925) 682-8000. The District may impose charges for copying, mailing and handling.

[Remainder of page intentionally left blank.]

District's General Fund Fiscal Year 2022-23 (Original Budget and Second Interim Projections). The following table shows the general fund figures for the District for fiscal year 2022-23 (original budget and second interim projections).

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE(1)
Fiscal Year 2022-23 (Original Budget and Second Interim Projections)
Combined Restricted/Unrestricted
Mt. Diablo Unified School District

	Original Budget 2022-23	Second Interim Projections
Revenues		
LCFF Sources	$310,374,254	$309,160,691
Federal revenues	33,503,302	68,209,357
Other state revenues	66,149,855	128,221,386
Other local revenues	10,139,711	13,743,185
Total Revenues	420,167,122	519,334,620
Expenditures		
Certificated Salaries	165,797,189	167,663,028
Classified Salaries	56,409,183	59,159,666
Employee Benefits	117,417,957	117,858,398
Books and Supplies	23,279,286	75,015,970
Services and Other Operating Expenditures	54,377,531	69,314,354
Capital Outlay	9,142,813	13,170,888
Other Outgo (excl. transfers of Ind. Costs)	1,597,586	1,597,586
Other Outgo-Transfers of Indirect Costs	(632,949)	(800,876)
Total Expenditures	427,388,596	502,979,017
Excess of Revenues Over/(Under) Expenditures	7,221,474	16,355,603
Other Financing Sources (Uses)		
Interfund Transfers In	--	--
Interfund Transfers Out	(5,000,000)	(5,000,000)
Total Other Financing Sources (Uses)	(5,000,000)	(5,000,000)
Net Change in Fund Balance	(12,221,474)	11,355,603
Fund Balance, July 1	129,854,943	129,854,943
Fund Balance, June 30*	$117,633,469	$141,210,546

(1) Budget documents do not account for reserves held outside of the general fund, which reserves are included in the audited financial statements for the District's general fund summarized in the preceding table.
*Totals may not foot due to rounding.
Source: Mt. Diablo Unified School District.

District Reserves. The District's ending fund balance is the accumulation of surpluses from prior years. This fund balance is used to meet the State's minimum required reserve of 3% of expenditures, plus any other allocation or reserve which might be approved as an expenditure by the District in the future. The District maintains, and expects to continue to maintain, an unrestricted reserve which meets the State's minimum requirements.

Under State law (Education Code Section 42127.01), there are certain restrictions on the amount of reserves that can be maintained by school districts under certain circumstances. This reserve cap requirement does not apply to small school districts (ADA of fewer than 2,501 students) or school districts funded as Basic Aid school districts. When applicable, the reserve cap requires that a school district's adopted or revised budget shall not contain a combined assigned or unassigned ending general fund balance of more than 10% of those funds. The applicability of the reserve cap is based on the balance in the State's Public School System Stabilization Account and is triggered in a fiscal year when the balance is equal to or exceeds 3% of the combined total of general fund revenues appropriated for school districts. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances, including, but not limited to, multiyear infrastructure or technology projects, substantiate the need for a combined assigned or unassigned ending general fund balance that is in excess of the reserve cap. The reserve cap has been triggered for fiscal year 2022-23 and as such, for school districts to which it applies, the cap must be taken into account in its budgeting documents or an exemption must be sought. The District has taken into account the reserve cap as part of its budgeting process for fiscal year 2022-23.

Attendance - Revenue Limit and LCFF Funding

Funding Trend per ADA. As previously described, prior to fiscal year 2013-14, school districts in the State derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target. The following table sets forth total LCFF funding and ADA for the District for fiscal years 2017-18 through 2022-23 (Projected).

ADA AND LCFF FUNDING
Fiscal Years 2017-18 through 2022-23 (Projected)
Mt. Diablo Unified School District

Fiscal Year	ADA	Total LCFF Funding
2017-18	29,708	$262,765,793
2018-19	29,377	275,765,611
2019-20	29,121	276,642,774
2020-21	29,122	273,739,162
2021-22		294,188,626
2022-23*		309,160,691

*Second Interim.
Source: Mt. Diablo Unified School District.

Unduplicated Pupil Count. The District's unduplicated pupil percentage (**"UPP"**) for purposes of supplemental and concentration grant funding under LCFF is projected to be 50% in fiscal year 2022-23 (a three year average of the prior three fiscal years). The District does not qualify for concentration grant funding under LCFF because its UPP is below 55%.

Revenue Sources

The District categorizes its general fund revenues into four sources, being LCFF, Federal Revenues, Other State Revenues and Local Revenues. Each of these revenue sources is described below.

LCFF Sources. District funding is provided by a mix of (1) local property taxes and (2) State apportionments of funding under the LCFF. Generally, the State apportionments will amount to the difference between the District's LCFF funding entitlement and its local property tax revenues.

Beginning in 1978-79, Proposition 13 and its implementing legislation provided for each county to levy (except for levies to support prior voter-approved indebtedness) and collect all property taxes, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each county.

The principal component of local revenues is the school district's property tax revenues, i.e., the district's share of the local 1% property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. Historically, the more local property taxes a district received, the less State equalization aid it is entitled to.

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

***Other State Revenues*.** As discussed above, the District receives State apportionment of basic and equalization aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives other State revenues.

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

For additional discussion of State aid to school districts, see "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS."

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

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *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 or the Underwriter.*

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. The plan is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. The benefit provisions and contribution amounts are established by State laws, as amended from time to time.

Prior to fiscal year 2014-15, contribution rates were constant and not subject to annual variations. K-14 school districts were required by statute to contribute 8.25% of eligible salary expenditures, and participants contributed 8% of their respective salaries. In September 2013, however, STRS projected that the plan would be depleted in 31 years if existing contribution rates continued and other actuarial assumptions were realized, largely due to significant investment losses.

Assembly Bill 1469 was adopted as part of the State's fiscal year 2014-15 budget (**"AB 1469"**), aimed at fully funding the unfunded actuarial obligation of STRS with respect to service credited to member of STRS prior to July 1, 2014 (the **"2014 Liability"**), within 32 years, by increasing contribution rates of members, K-14 school district employers, and the State. Under AB 1469, employer contributions were steadily increased over seven years. However, several modifications to the schedule were undertaken in connection with State budgets. Contribution rates for the past several years are summarized pursuant to the following schedule:

STRS EMPLOYER CONTRIBUTION RATES
Effective Dates of July 1, 2014 through July 1, 2022

Effective Date	Employer Contribution Rate
July 1, 2014	8.88%
July 1, 2015	10.73
July 1, 2016	12.58
July 1, 2017	14.45
July 1, 2018	16.28
July 1, 2019	17.10*
July 1, 2020*	16.15*
July 1, 2021	16.92*
July 1, 2022	19.10

*The contribution rates identified in AB 1469 were subsequently reduced by the State legislature in certain years. Noted rates represent the reduced contribution rate.
Source: AB 1469.

The State also continues to contribute to STRS, and its contribution rate in fiscal year 2022-23 is 8.338%.

The District's recent contributions to STRS including the current budgeted fiscal year are set forth in the following table. These contributions represent 100% of the required contribution for each year.

STRS CONTRIBUTIONS
Mt. Diablo Unified School District
Fiscal Years 2017-18 through 2022-23 (Projected)

Fiscal Year	Amount
2017-18	$23,296,363
2018-19	25,474,844
2019-20	25,262,435
2020-21	23,273,689
2021-22	25,445,548
2022-23(1)	48,028,897

(1) Second Interim. Includes On-Behalf payments. Prior years are net of State payments.
Source: Mt. Diablo Unified School District.

The STRS defined benefit program continues to have an unfunded actuarial liability estimated at approximately $89.7 billion as of June 30, 2021, which is the date of the last actuarial valuation.

PERS. All full-time and some part-time classified employees participate in PERS, an agent multiple-employer contributory public employee retirement system that acts as a common investment and administrative agent for participating public entities within the State. PERS provides retirement, disability, and death benefits to plan members and beneficiaries. The District is part of a cost-sharing pool within PERS known as the "Schools Pool." Benefit provisions are established by State statutes, as legislatively amended. Contributions to PERS are made by employers and employees. Each fiscal year, employers are required to contribute an amount based on an actuarially determined employer rate, and employees make contributions which vary based on their date of hire.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. To address this issue, the PERS board has taken a number of actions, including changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates and adopting changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy incrementally lowering its discount rate (its assumed rate of investment return) in years of good investment returns, to help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. SB 90, and Assembly Bill 84/Senate Bill 111 (**"AB 84"**) of June 2020, directed contributions of $430 million and $330 million in satisfaction of portions of employer contribution rates in fiscal years 2020-21 and 2021-22, respectively. Recent employer contribution rates are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2019-20 through 2022-23[(1)]

Fiscal Year	Employer Contribution Rate[(1)]
2019-20	19.721%
2020-21	20.700
2021-22	22.910
2022-23	25.370

(1) Expressed as a percentage of covered payroll.
Source: PERS

The District's employer contributions to PERS for recent fiscal years are set forth in the following table.

PERS CONTRIBUTIONS
Mt. Diablo Unified School District
Fiscal Years 2017-18 through 2022-23 (Projected)

Fiscal Year	Amount
2017-18	$8,749,579
2018-19	10,119,534
2019-20	10,667,677
2020-21	10,095,538
2021-22	11,682,718
2022-23[(1)]	14,076,942

(1) First Interim.
Source: Mt. Diablo Unified School District.

PERS continues to have an unfunded liability which, on a market value of assets basis, was approximately $24.0 billion as of June 30, 2021, which is the date of the last actuarial valuation.

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 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

PERS has predicted that the impact of PEPRA on employees and employers, including the District and other employers in the PERS system, will vary, based on each employer's current level of benefits. As a result of the implementation of PEPRA, new members must pay at least 50% of the normal costs of the plan, which can fluctuate from year to year. To the extent that the new formulas lower retirement benefits, employer contribution rates could decrease over time as current employees retire and employees subject to the new formulas make up a larger percentage of the workforce. This change would, in some circumstances, result in a lower retirement benefit for employees than they currently earn.

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) fifty percent of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

The District is unable to predict the amount of future contributions it will have to make to PERS and STRS as a result of the implementation of PEPRA, and as a result of negotiations with its employee associations, or, notwithstanding the adoption of PEPRA, resulting from any legislative changes regarding the PERS and STRS employer contributions that may be adopted in the future.

Additional Information - STRS and PERS. Additional information regarding the District's retirement programs is available in Note 9 to the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811.

More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriters for accuracy or completeness.*

Other Post-Employment Retirement Benefits

The Plan Generally. The District provides healthcare benefits to eligible employees who retire from the District, as part of a single-employer defined benefit post-employment healthcare plan (the **"Plan"**). The Plan is administered by the District and allows employees who retire after having achieved retirement eligibility requirements to continue receiving medical coverage. The benefits from the Plan are available to Mount Diablo Educators Association ("**MDEA**") employees, classified employees (Including Local 1 CST, Teamsters 856 and CSEA Employees), management & confidential employees, psychologists, and supervisors. The District's Board of Education has the authority to establish or amend the benefit terms offered by the Plan. The Board of Education also retains the authority to establish the requirements for paying the Plan benefits as they come due. As of June 30, 2021, the District has not accumulated assets in a qualified trust for the purpose of paying the benefits related to the District's total OPEB liability, and the plan does not issue separate financial statements. Membership of the Plan as of June 30, 2022 consisted of 1,447 retirees and beneficiaries receiving benefits and 3,191 active Plan members.

Contribution Information. The contribution requirements of Plan members and the District are established and may be amended by the District and employee bargaining units. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2021-22, the District contributed $6,011,879 to the Plan.

Actuarial assumptions. The District had an actuarial valuation performed for fiscal year ending June 30, 2022. Changes in assumptions in the June 30, 2022 actuarial measurement reflected in the District's audited financial statements for the year ending June 30, 2022 include a change in discount rate, an update to the inflation rate, and an update to the salary increase. See Note 7 in Appendix B hereto.

Changes in Total OPEB Liability. The following table illustrates the District's OPEB liability and related ratios, as shown in the District's audited financial statements as of June 30, 2022, is as follows:

Mt. Diablo Unified School District
Changes in the Total OPEB Liability
June 30, 2021 to June 30, 2022

Beginning OPEB Liability at June 30, 2021	**$220,808,335**
Service Cost	15,119,446
Interest	4,867,822
Differences between actual and expected experience	--
Changes in assumptions	(36,320,661)
Benefit payments	(6,011,879)
Net changes in total OPEB liability	(22,345,272)
Ending OPEB Liability at June 30, 2022	**$198,463,063**

Source: Mt. Diablo Unified School District Audit Report.

OPEB Expense. For the year ended June 30, 2022, the District recognized an OPEB expense of $18,371,706.

For more information regarding the District's OPEB and assumptions used in its most recent actuarial study, see Note 7 of Appendix B to the Official Statement.

Existing Debt Obligations

The District has never defaulted on the payment of principal or interest on any of its indebtedness.

General Obligation Bonds. The District has general obligation bonds currently outstanding, as summarized in the following table.

Summary of Outstanding General Obligation Bond Debt
Mt. Diablo Unified School District

Bond Issue	Date of Issue	Final Maturity	Original Principal Amount	Amount Outstanding 3/1/23
2002 Measure C Bonds				
Refunding Bonds, Series C	04/10/13	08/01/31	$54,015,000	
2010 Measure C Bonds				
2010 Series A	09/30/10	08/01/35	$50,456,475	
2010 Series B (Taxable NCREB)	09/30/10	08/01/27	59,540,000	
2011 Series C (Taxable QSCBs)	04/12/11	08/01/25	3,865,000	
2012 Series E	06/20/12	08/01/37	149,995,000	
2015 Series F	07/15/15	08/01/25	38,500,000	
2016 Series G	11/16/16	08/01/31	38,500,000	
2018 Measure J Bonds				
Series A*	06/12/19	08/01/22	$20,000,000	
Series B	04/06/22	08/01/42	75,000,000	
Refunding Bonds				
2021 Series A	10/07/2021	08/01/31	$28,270,000	
2022 Series B	05/05/2022	08/01/37	147,145,000	
Combined Totals:	**--**	**--**	**Total Outstanding:**	

**Private Placement.*
Source: District Audited Financial Statement; the Financial Advisor.

Construction Loan. In February 2003, the Redevelopment Agency of the City of Pittsburg made an interest-free loan of $6,178,936 to the District to provide a portion of financing for the construction of an elementary school within the City of Pittsburg. The source of repayment is 24% of all impact fees collected annually by the District in the City of Pittsburg. The District makes semi-annual payments on June 1 and January 1 until the earlier of June 1, 2040 or when the loan is paid off. The loan balance at June 30, 2022, was $3,447,126.

Certificates of Participation. In October 2018, the District caused the execution and delivery of 2018 Certificates of Participation ("**2018 COPS**") to finance the improvement of certain educational facilities of the District. The 2018 COPs are secured by lease payments will are payable from any source of available funds of the District, and includes a pledge of Surplus Special Tax Revenues, which are surplus special tax revenues derived from the District's Community Facilities District No. 1 (the **"Community Facilities District"**), which is coterminous with the boundaries of the District. At a special election held on November 7, 1989, two-thirds or more of the voters of the District approved Measure A (**"Measure A"**), authorizing the levy and collection of a special tax at the rate of $67 per taxable unit (the **"Special Taxes"**) in the

Community Facilities District. The 2018 COPs bear interest at 5.0% per annum, and mature through September 1, 2026. The balance as of September 1, 2022 is $15,906,750.

Supplemental Employee Retirement Plan. Effective July 2020, the district established a Supplemental Retirement Plan (**"SERP"**) for certain qualifying employees. Under the terms of the SERP, the District will make annual contributions of $1,733,320 to the plan for the future benefits to be paid to qualifying employees. Payments are made equally over a period of five fiscal years, for a total obligation of $8,666,600. At June 30, 2022, the outstanding balance of future District contributions was $5,199,960.

Special Tax Bonds - Community Facilities District No. 1. The District has issued non-obligatory debt with respect to the Community Facilities District in the form of special tax bonds and special tax refunding bonds, which are secured solely from collections of special taxes within the Community Facilities District. See Note 5 to the District's Audited Financial Statements in Appendix B for more information about these bond issuances.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq*., the Santa Clara County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq*. In addition, counties are required to establish their own investment policies, which may impose limitations beyond those required by the Government Code. See APPENDIX G hereto for a copy of the County's investment policy and recent investment report.

Effect of State Budget on Revenues

Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts generally receive the majority of their operating revenues from various State sources. The primary source of funding for school districts is LCFF funding, which is derived from a combination of State funds and local property taxes (see "– Education Funding Generally" above). State funds typically make up the majority of a district's LCFF funding. School districts also receive funding from the State for some specialized programs such as special education.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding.

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

*The information in this section concerning the State's budget or budgets has been compiled from publicly-available information provided by the State or the Legislative Analyst's Office (the **"LAO"**). Neither the District, the Underwriter nor the County is responsible for the information provided in this section.*

State Budgeting for Education Generally

The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. The primary source of funding for school districts are revenues under the LCFF, which are a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION - Education Funding Generally" above). State funds typically make up the majority of a district's LCFF allocation, although Basic Aid school districts derive most of their revenues from local property taxes. School districts also receive substantial funding from the State for various categorical programs.

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below), the condition of the State economy (which affects total revenue available to the State's general fund), and the annual State budget process. Decreases in State revenues may significantly affect appropriations made by the legislature to school districts.

The Budget Process

The State's fiscal year begins on July 1 and ends on June 30. The annual budget is proposed by the Governor by January 10 of each year for the next fiscal year (the "**Governor's Budget**"). Under State law, the annual proposed Governor's Budget cannot provide for projected expenditures in excess of projected revenues and balances available from prior fiscal years. Following the submission of the Governor's Budget, the Legislature takes up the proposal.

Under the State Constitution, money may be drawn from the State Treasury only through an appropriation made by law. The primary source of the annual expenditure authorizations is the Budget Act as approved by the Legislature and signed by the Governor. The Budget Act must be approved by a majority vote of each house of the Legislature. The Governor may reduce or eliminate specific line items in the Budget Act or any other appropriations bill without vetoing the entire bill. Such individual line-item vetoes are subject to override by a two-thirds majority vote of each house of the Legislature.

Appropriations also may be included in legislation other than the Budget Act. Bills containing appropriations (including for K-14 education) must be approved by a majority vote in each house of the Legislature, unless such appropriations require tax increases, in which case they must be approved by a two-thirds vote of each house of the Legislature and be signed by the Governor. Continuing appropriations, available without regard to fiscal year, may also be provided by statute or the State Constitution.

Funds necessary to meet an appropriation need not be in the State Treasury at the time such appropriation is enacted; revenues may be appropriated in anticipation of their receipt.

Available Public Resources

Certain information about the State budgeting process and the State budget is available through several State sources. Convenient sources of information include:

- www.treasurer.ca.gov: The California State Treasurer internet home page, under the link to "Bond Finance" and sub-heading "-Public Finance Division", includes links to recent State official statements and various State financial documents which includes information regarding State budgets and finances.

- www.dof.ca.gov: The California Department of Finance's (the **"DOF"**) internet home page, under the link to "California Budget", includes the text of proposed and adopted State Budgets.

- www.lao.ca.gov: The LAO's internet home page includes a link to "-The Budget" which includes analyses and commentary on fiscal outlooks.

The above references to internet websites shown are shown for reference and convenience only. The information contained within the websites may include outdated information and has not been reviewed for accuracy by the District or the Underwriter. Such information is not incorporated herein by reference.

The 2022-23 State Budget

On June 30, 2022, the Governor signed the fiscal year 2022-23 State Budget (the **"2022-23 State Budget"**), a $308 billion spending plan, including $234.4 billion in general fund spending, and a historic $100 billion budget surplus. The 2022-23 State Budget includes significant general fund investments, provides for tax rebates to millions of taxpayers, and provides for a $37.2 billion reserve.

A central component of the 2022-23 State Budget is an over $17 billion broad-based inflation relief package, which includes tax rebates of up to $1,050 based on income level and the size of household. The relief package also includes increased grants for the State's lowest income families and individuals, and additional funding for food banks.

Other highlights of the 2022-23 State Budget include funding to address impacts of climate change and drought, provide for wildfire support, and address electricity rates and accelerate clean energy projects. Total funding of $128.6 billion is provided for K-12 education, reflecting $22,893 per pupil ($16,993 K-12 Proposition 98 guarantee), further details of which are set forth below. The 2022-23 State Budget includes funding aimed at addressing higher education needs, health care including universal access, funding for infrastructure including for transportation, energy innovation and reliability, housing for homeless individuals, and increasing broadband connectivity. Funding in the amount of $14.8 billion is provided for regional transit and rail projects, the continued development of a first-in-the-nation, electrified high-speed rail system in the State and other climate adaptation projects. The 2022-23 State Budget includes an additional $2 billion over two years to accelerate the development of affordable housing, and $3.4 billion over three years to continue the State's efforts to address homelessness by investing in immediate behavioral health housing and treatment, as well as encampment cleanup grants. Funding is provided to address COVID-19 health issues including testing and vaccinations, and funding for local law enforcement and highway patrols aimed at increasing public safety. The 2022-23 State Budget is projected to be balanced in fiscal year 2025-26, the last year in the multi-year forecast.

With respect to K-12 education, the 2022-23 State Budget provides total funding of $128.6 billion ($78.6 billion general fund and $50 billion other funds) for all K-12 education programs. The 2022-23 State Budget reflects a Proposition 98 funding level of $110.4 billion in 2022-23, representing a three-year increase in the minimum Proposition 98 guarantee of $35.8 billion over the level funded in the fiscal year 2020-21 State budget. A payment of approximately $2.2 billion is provided for the Public School System Stabilization Account, for a balance of more than $9.5 billion at the end of fiscal year 2022-23.

Under State law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the Stabilization Account is equal to or greater than 3 percent of the total K-12 share of the Proposition 98 guaranteed funding. The balance of $7.1 billion in fiscal year 2021-22 has triggered the school district reserve cap beginning in fiscal year 2022-23.

The 2022-23 State Budget includes an LCFF cost-of-living adjustment of 6.56 percent, the largest in the history of LCFF. Additionally, to help school districts and charter schools address ongoing fiscal pressures, staffing shortages, and other operational needs, the 2022-23 State Budget includes $4.32 billion ongoing Proposition 98 general fund to increase LCFF base funding by an additional 6.28 percent.

To support fiscal stability and to address declining enrollment, the 2022-23 State Budget allows school districts to use the greater of the current year or prior year average daily attendance or an average of the three prior years' average daily attendance to calculate LCFF funding. Further, to minimize reductions in LCFF funding that would otherwise occur due to increased absences in fiscal year 2021-22, the 2022-23 State Budget enables all classroom-based local educational agencies that can demonstrate they provided independent study offerings to students in fiscal year 2021-22 to be funded at the greater of their current year average daily attendance or their current year enrollment adjusted for pre-COVID-19 absence rates in fiscal year 2021-22.

Other highlights of the 2022-23 State Budget relating to K-12 education include:

Establishes the Learning Recovery Emergency Fund: $7.9 billion one-time Proposition 98 general fund to support the Learning Recovery Emergency Block Grant which will support local educational agencies in establishing learning recovery initiatives through the fiscal year 2027–28 school year. Funds can be used to increase instructional time, close learning gaps such as tutoring or small group learning, support students with health, counseling or mental heath services, create additional access to instructions to support graduations and increase college eligibility, and provide additional academic services to students.

Block Grant for Arts, Music and Other Programs: Establishes the Arts, Music and Instructional Materials Block Grant, funded at $3.6 billion for a variety of purposes.

Supporting Community Schools: $1.1 billion in one-time Proposition 98 funding supporting access to the community schools grant.

Support for Educator Workforce: $48.1 million general fund for educator workforce purposes.

Funding for Residency Programs: $250 million one-time Proposition 98 general fund to expand residency slots for teachers and school counselors.

Funding for STEM Purposes: $85 million one-time Proposition 98 general fund to create Pre-K through 12 grade educator resources and professional learning to implement the Next Generation Science Standards, the California Math

Framework, the California Computer Science Standards, and the math and science domains of the California Preschool Learning Foundations.

Support for State Preschools: $312.7 million Proposition 98 general fund and $172.3 million general fund to increase State Preschool Program adjustment factors for students with disabilities, dual language learners, and childhood mental health and adds an adjustment factor for three-year-olds. Funding is also provided for inclusive early education, waiver of certain costs for children in the State Preschool Program, and in fiscal year 2022-23 reimbursing preschool providers for certain hours of authorized care.

Support for Transitional Kindergarten: $614 million ongoing Proposition 98 general fund to, beginning in the 2022-23 school year, to support the first year of expanded eligibility for transitional kindergarten. Additionally, the 2022-23 State Budget provides $383 million Proposition 98 general fund to add one additional certificated or classified staff person to every transitional kindergarten class, reducing student-to-adult ratios to more closely align with the State Preschool Program.

Expanded Learning Opportunities Program: $1 billion ongoing and $753 million one-time Proposition 98 general fund in the first year of a multi-year investment plan to implement expanded-day, full-year instruction and enrichment for all elementary school students, with a focus on local educational agencies with the highest concentrations of low-income students, English language learners, and youth in foster care. Local educational agencies with the highest concentrations of these students will be required to offer expanded learning opportunities to all elementary students. The 2022-23 State Budget continues to assume that full fiscal implementation of the program will take place by 2025-26.

Early Literacy: Includes $250 million one-time Proposition 98 general fund, available over five years, for grants to high-needs schools to train and hire literacy coaches and reading specialists to guide productive classroom instruction and to offer one-on-one and small group intervention for struggling readers.

Community Engagement Initiative: First funded in 2018, an additional $100 million one-time Proposition 98 general fund to expand the reach of the program to hundreds of additional local educational agencies.

Special Education: $500 million ongoing Proposition 98 general fund for the special education funding formula, paired with several policy changes to further the State's commitment to improving special education instruction and services.

College and Career Pathways: Includes $500 million one-time Proposition 98 general fund over seven years to support the development of pathway programs focused on technology, health care, education, and climate-related fields, and $200 million one-time Proposition 98 general fund, available over five years, to strengthen and expand student access and participation in dual enrollment opportunities.

Home-To-School Transportation: $637 million ongoing Proposition 98 general fund to reimburse local educational agencies for up to 60 percent of their transportation costs in the prior year. Additionally, commencing in 2023-24, the 2022-23 State

Budget reflects the application of an ongoing cost-of-living adjustment to the current LCFF Home-to-School transportation add-on. In addition, $1.5 billion one-time Proposition 98 general fund, available over five years, to support greening school bus fleets through programs that will be operated by the California Air Resources Board and the California Energy Commission.

Nutrition: $596 million Proposition 98 general fund to fund universal access to subsidized school meals, an additional $611.8 million to augment the state meal reimbursement rate sufficient to maintain meal reimbursement rates beginning in 2022-23, and $600 million one-time, available over three years, for school kitchen infrastructure upgrades and equipment, food service employee training, and compensation for work related to serving universal meals using more fresh, minimally processed foods.

Farm to School Program: $30 million one-time general fund to establish additional farm to school demonstration projects with priority towards high-need schools, and $3 million ongoing general fund to expand the regional California Farm to School Network.

K-12 Facilities: The 2022-23 State Budget allocates the remaining Proposition 51 bond funds to support school construction projects, and provides $100 million one-time general fund with fiscal year 2021-22 funds and $550 million in fiscal year 2023-24 to support the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program. This program's grant funds may be used to construct new school facilities or retrofit existing school facilities for the purpose of providing transitional kindergarten, full-day kindergarten, or preschool classrooms.

For the full text of the 2022-23 State Budget, see the DOF website at www.dof.ca.gov. *However, the information included in such website is not incorporated herein by reference.*

The 2023-24 State Budget: LAO Fiscal Outlook Report and 2023-24 Proposed Budget

LAO Fiscal Outlook Report as of November 2022 for Fiscal Year 2023-24 Budget. The LAO released a report on the State's fiscal outlook dated November 2022 to provide guidance to the State legislature in the crafting of the fiscal year 2023-24 budget. The LAO outlook identifies a budget deficit of $25 billion in fiscal year 2023-24. This deficit is largely attributed to lower revenue estimates, which it notes are lower than projections across fiscal years 2021-22 through 2023-24 by $41 billion. Over the subsequent years of the LAO's forecast, annual revenue deficits decline from $17 billion to $8 billion over the multi-year period by fiscal year 2026-27. The LAO notes that under its estimates, the State can afford to maintain its existing school and community college programs, and provide a cost-of-living adjustment of up to 8.38 percent in fiscal year 2023-24. The extent to which programs across the remainder of the budget are adjusted for inflation varies considerably. The LAO notes that its outlook reflects the current law and policy of the State legislature and as such only incorporates the effects of inflation on budgetary spending when there are existing policy mechanisms for doing so. The $25 billion budget deficit could be understated in inflation-adjusted terms. The LAO's lower revenue estimate incorporates the risk of a recession but do not reflect a recession scenario. A recession which occurs soon could result in revenues $30 to $50 billion below the LAO's revenue outlook that was in the budget window. The LAO notes that recent and sizeable ongoing augmentations to certain programs in light of inflation and flat revenue growth place pressure on the out-year condition of the budget. The LAO recommends that the State legislature begin planning the fiscal year 2023-24 budget without using general purpose reserves, reserving such funds for a recession. For the full report, see: www.lao.ca.gov, under the link to "Publications." The information on such web site is not incorporated herein by reference.

The 2023-24 Proposed State Budget. On January 9, 2023, the Governor presented a proposed budget for fiscal year 2023-24 to the State legislature (the **"2023-24 Proposed State Budget"**). The State is facing an estimated budget gap of $22.5 billion, forecasting general fund revenues at $22.5 billion below the 2022-23 budget act projections. The $297 billion budget proposes a variety of methods, including $7.4 billion in funding delays, $5.7 billion in reductions and pullbacks, $4.3 billion in fund shifts, $3.9 billion in trigger reductions and $1.2 billion in limited revenue generation and borrowing, to address the projected shortfall. The 2023-24 Proposed State Budget includes $108.8 billion for Proposition 98 funding for K-12, reflecting a Proposition 98 general fund decrease $153 million in 2023-23 and $1.3 billion in 2023-24 for school district and county offices of education as a result of increased offsetting property taxes.

Funding for the LCFF is projected at $80.1 billion in 2023-24, reflecting a 2.2% decline in ADA. The 2023-24 Proposed State Budget proposes an LCFF cost of living adjustment of 8,13%, the highest adjustment in recent memory, resulting in an increase of $4.2 billion in discretionary funds for local educational agencies. In order to fund this adjustment, the 2023-24 Proposed State Budget provides for approximately $613 million in one-time funding for 2022-23 and approximately $1.4 billion in one-time funding for 2023-24.

The 2023-24 Proposed State Budget allocates $35.6 billion in total reserves, including $22.4 billion in the State's Budget Stabilization Account, fulfilling the constitutional minimum mandatory deposit and requiring $951 million to be dedicated to infrastructure investments in 2023-24. Other proposed reserves include $8.5 billion in the Public Schools System Stabilization Account, which is a decrease from the $9.5 billion previously projected, which continues to trigger school district reserve caps in 2023-24, $900 million in the Safety Net Reserve, and $3.8 billion in the State's operating reserve. The 2023-24 Proposed State Budget accelerates paydown of State retirement liabilities, with $1.9 billion in additional payments in 2023-24 and approximately $5.3 billion projected to be paid over the next three years. In addition to addressing the $22.5 billion budget shortfall, the 2023-24 Proposed State Budget utilizes a number of resiliency measures to close shortfalls projected in the coming years.

Other highlights of the 2023-24 Proposed State Budget include:

- to implement the second year of the expansion of transitional kindergarten, $690 billion, allowing approximately 46,000 children access to the program, and $165 million to support the addition of staff to support those additional students, with full implementation of universal transitional kindergarten expected in 2025-26;

- over $2 billion, annualized, to expand subsidized childcare;
- funding for universal access to subsidized school meals and the additional enhanced meal rate by allocating over $1.4 billion to reimburse school meals and ensure students who want a meal will have access to two free meals each day;

- approximately $48 billion to advance the State's climate agenda, but given the projected declines in general fund revenues, there are reductions across several climate programs, which are partially offset with shifts to other funds;

- over $1 billion annually to provide increased cash assistance to individuals with disabilities, older adults in the SSi/SSP programs, and low-income children and families in the CalWORK's program;

- more than $8 billion across various departments to expand the continuum of behavioral health treatment and infrastructure capacity;

- invests over $200 million to provide reproductive health services, including grants to health care providers to offset the cost of care to uninsured or underinsured individuals, for clinical infrastructure and to provide scholarships and loan repayments to providers that commit to providing reproductive health care services;

- a multi-year commitment of $44 billion for various statewide infrastructure investment, including modernizing the State's transportation system, providing greater access to broadband connectivity, reducing wildfire risk to communities, and supporting drought and resiliency;

- reductions related to housing production incentive programs that were included as part of the 2022-23 State Budget of $350 billion;

- approximately $2.2 billion to create additional apprentices, provide training to mitigate the effects of climate change, provide job training and other assistance to the justice-involved population; and

- $564.4 million over three years to bolster local law enforcement efforts to reduce retail theft and other crimes.

Disclaimer Regarding State Budgets

The execution of State budgets may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2022-23 State Budget or subsequent State budgets, or future changes (if any) in the budget due to shifts in the economy or other factors, will have on its own finances and operations. However, the Bonds described herein are secured by *ad valorem* property taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

The State has not entered into any contractual commitments with the District, the County, the Underwriter or the Owners of the Bonds to provide State Budget information to the District or the owners of the Bonds. Although the sources of information provided herein are known to be reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the budget information set forth or referred to in this Official Statement or incorporated herein.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory provisions relating to education funding in the State has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto, and how such events could impact the District and its finances.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* property tax levied by the County for the payment thereof. Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111 and 218, 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 District to levy taxes and 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 District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA and all applicable laws.

Constitutionally Required Funding of Education

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

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* property tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* property taxes may be levied to pay debt service on (a) indebtedness approved by the voters prior to July 1, 1978, (b) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness, and (c) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) 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% of the voters of the District, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

Article XIIIA has subsequently been amended to permit reduction of the "full cash value" base in the event of declining property values caused by damage, destruction or other factors, to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster and in other minor or technical ways.

Legislation Implementing Article XIIIA. Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the annual adjustment not to exceed 2% are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Any such allocation made to a local agency continues as part of its allocation in future years.

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

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. 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 under 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 debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

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

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

Unitary Property

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

Articles XIIIC and XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the California Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) 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; (b) 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; (c) 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; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (e) 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; (f) a charge imposed as a condition of property development; and (g) 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.

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.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

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

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

Proposition 111

On June 5, 1990, the voters approved Proposition 111 (Senate Constitutional Amendment No. 1) called the "Traffic Congestion Relief and Spending Limit 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:

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 California *per capita* personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

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 the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above 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 Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

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.

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 (a) 40.9% of State general fund revenues (the **"first test"**) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the **"second test"**). Under Proposition 111, schools will receive the greater of (a) the first test, (b) the second test, or (c) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the **"third test"**). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (a) 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 (b) 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 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, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (a) any local government debts approved by the voters prior to July 1, 1978 or (b) 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: (a) 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; (b) 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 (c) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

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

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

Proposition 30 and Proposition 55

The Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment, also known as **"Proposition 30"**, temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax was levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases for such period the marginal personal income tax rate by: (a) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for head of household filers and over $500,000 but less than $600,000 for joint filers), (b) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for head of household filers and over $600,000 but less than $1,000,000 for joint filers), and (c) 3% for taxable income over

$500,000 for single filers (over $680,000 for head of household filers and over $1,000,000 for joint filers). Proposition 55 (described below) extended said increases to personal income rates through the end of 2030.

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See "Proposition 98" and "Proposition 111" above. From an accounting perspective, the revenues generated from the temporary tax increases will be 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 boards are prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, was a proposed constitutional amendment initiative that was approved on the November 8, 2016 general election ballot in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through the end of 2030, instead of the scheduled expiration date of December 31, 2018. The extensions did not apply to the sales tax and excise taxes imposed by Proposition 30. Tax revenue received under Proposition 55 is to be allocated 89% to K-12 schools and 11% to community colleges.

California Senate Bill 222

Senate Bill 222 (**"SB 222"**) was signed by the California Governor on July 13, 2015, and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by *ad valorem* property tax collections are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds, such as the Bonds, as secured debt in bankruptcy due to the existence of a statutory lien.

Proposition 19

On November 3, 2020, State voters approved Proposition 19, a legislatively referred constitutional amendment (**"Proposition 19"**), which amends Article XIIIA to (i) expand as of April 1, 2021 special rules that govern the transfer of a residential property's tax base value to a replacement residence for homeowners that are over the age of 55, severely disabled, or whose property has been impacted by wildfire or natural disaster, when they buy a different home anywhere within the State, (ii) narrows as of February 16, 2021 existing special rules for the valuation of inherited real property due to a transfer between family members, and (iii) allocates most resulting State revenues and savings (if any) to fire protection services and reimbursing local governments for taxation-related changes. The District cannot predict whether the implementation of Proposition 19 will increase, decrease or have no overall impact on the District's assessed values.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

APPENDIX B

MT. DIABLO UNIFIED SCHOOL DISTRICT
AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2021-22

APPENDIX C

ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF CONCORD AND CONTRA COSTA COUNTY

The following information concerning the County of Contra Costa (the ***"County"****) and the City of Concord (the* ***"City"****) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are payable solely from the sources described herein (see "SECURITY FOR THE BONDS"). The Bonds are not a debt of the City, the County, the State of California (the* ***"State"****) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.*

The economic and demographic data contained in this Appendix are the latest available but are generally as of dates and for periods before the economic impact of the COVID-19 pandemic and the measures instituted to slow it. Accordingly, they are not necessarily indicative of the current financial condition or future economic prospects of the District, the City, the County or the region.

General

The District serves all of the City of Concord (the "**City**"), which is located in the County of Contra Costa (the "**County**").

***The County**.* The County was incorporated in 1850 as one of the original 27 counties of the State, with the City of Martinez as the County Seat. It is one of the nine counties in the San Francisco-Oakland Bay Area. The County is the ninth most populous county in the State with a population of approximately 1,156,555 as of January 1, 2022.

The County provides services to residents through departments and agencies including the Departments of Building Inspection, Community Development, Economic & Redevelopment, Airports, Flood Control, Parks, and Road and Transportation. Each city within the County provides for local services such as police, fire, water, and various other services normally associated with municipalities.

***The City*.** On February 5, 1905, Concord was incorporated as a City. Today, Concord is the largest city in Contra Costa County, with a population of over 129,000 residents.

Population

The following table lists population estimates for the City, the County, and the State as of January 1 each year for the last five calendar years.

CITY OF CONCORD AND COUNTY OF CONTRA COSTA
Population Estimates
Calendar Years 2018 through 2022

Area	2018	2019	2020	2021	2022
Concord	**129,759**	**129,880**	**125,559**	**124,755**	**123,634**
Contra Costa County	1,143,188	1,147,623	1,165,927	1,161,324	1,156,555
State of California	39,519,535	39,605,361	39,538,223	39,303,157	39,185,605

Source: State Department of Finance estimates.

[Remainder of page intentionally left blank]

Industry and Employment

The County is a part of the Oakland-Hayward-Berkeley Metropolitan Division (the "**MD**"). The unemployment rate in the Oakland-Hayward-Berkeley MD was 2.8 percent in December 2022, down from a revised 3.3 percent in November 2022, and below the year-ago estimate o 3.9 percent. This compares with an unadjusted unemployment rate of 3.7 percent for California and 3.3 percent for the nation during the same period. The unemployment rate was 2.7 percent in Alameda County, and 2.9 percent in Contra Costa County.

The table below list employment by industry group for the years 2017 through 2021.

OAKLAND-HAYWARD-BERKELEY MD
Annual Average Civilian Labor Force, Employment and Unemployment,
Employment by Industry
Calendar Years 2017 through 2021
(March 2021 Benchmark)

	2017	2018	2019	2020	2021
Civilian Labor Force (1)	1,396,000	1,401,700	1,403,400	1,362,300	1,352,300
Employment	1,343,400	1,357,700	1,360,500	1,239,100	1,268,700
Unemployment	52,600	44,000	42,900	123,200	83,600
Unemployment Rate	3.8%	3.1%	3.1%	9.0%	6.2%
Wage and Salary Employment(2)					
Agriculture	1,400	1,300	1,400	1,500	1,600
Mining and Logging	200	200	200	200	200
Construction	71,200	74,900	75,500	70,700	73,000
Manufacturing	95,700	100,600	101,000	98,700	105,200
Wholesale Trade	48,700	47,500	45,400	42,100	41,300
Retail Trade	114,400	114,500	111,800	101,100	105,300
Transportation, Warehousing, Utilities	41,300	42,300	43,700	45,200	48,600
Information	26,900	27,600	27,600	25,800	25,000
Finance and Insurance	38,900	37,500	37,200	35,900	34,700
Real Estate and Rental and Leasing	17,400	17,800	18,100	16,700	16,800
Professional and Business Services	184,500	189,500	193,200	184,800	189,900
Educational and Health Services	191,500	194,300	198,400	191,300	198,200
Leisure and Hospitality	114,900	117,700	121,000	84,700	91,700
Other Services	40,200	41,000	41,200	33,100	35,000
Federal Government	13,800	13,400	13,400	14,200	13,500
State Government	39,300	39,400	39,600	38,200	37,900
Local Government	121,500	121,800	121,800	113,500	111,900
Total all Industries (3)	1,161,800	1,181,300	1,190,300	1,097,700	1,129,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.
(3) Totals may not add due to rounding.
Source: State of California Employment Development Department.

Principal Employers

The following table shows the principal employers in the City, as shown in the City's Comprehensive Annual Financial Report for fiscal year ending June 30, 2022.

CITY OF CONCORD
Principal Employers

Employer	Number of Employees
John Muir Medical Ctr.	1,000 – 4,999
Wells Fargo	1,000 – 4,999
PG&E	1,000 – 4,999
Bank of America	500 - 999
Mt. Diablo Unified School District	500 - 999
Fresenius Medical Care	500 - 999
City of Concord	500 - 999
Costco	500 - 999
Home Depot	250 - 499
County Connection	250 - 499

Source: City of Concord, Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2022.

[Remainder of page intentionally left blank]

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County as of March 2023, in alphabetical order without regard to number of employees.

COUNTY OF CONTRA COSTA
Largest Employers
March 2023

Employer Name	Location	Industry
Bart	Richmond	Transit Lines
Bio-Rad Laboratories Inc	Hercules	Physicians & Surgeons Equip & Supls-Mfrs
Broadspectrum Americas	Richmond	Oil Refiners (mfrs)
C & H Sugar	Crockett	Sugar Refiners (mfrs)
Chevron Corp	San Ramon	Oil Refiners (mfrs)
Chevron Research & Technology	San Ramon	Service Stations-Gasoline & Oil
Chevron Richmond Refinery	Richmond	Oil Refiners (mfrs)
Contra Costa Regional Med Ctr	Martinez	Hospitals
East Bay Times	Walnut Creek	Newspapers (publishers/Mfrs)
John Muir Health Concord Med	Concord	Hospitals
Kaiser Permanente Antioch Med	Antioch	Hospitals
Kaiser Permanente Martinez Med	Martinez	Clinics
Kaiser Permanente Walnut Creek	Walnut Creek	Hospitals
La Raza Market	Richmond	Grocers-Retail
Los Medanos College	Pittsburg	Junior-Community College-Tech Institutes
Martinez Arts Outpatient Clnc	Martinez	Surgical Centers
Nordstrom	Walnut Creek	Department Stores
Oakley Union School District	Oakley	School Districts
Phillips 66	Rodeo	Service Stations-Gasoline & Oil
Robert Half	San Ramon	Employment Agencies & Opportunities
San Ramon Regional Medical Ctr	San Ramon	Hospitals
Shell Oil Prod US Martinez	Martinez	Oil Refiners (mfrs)
Sutter Delta Medical Ctr	Antioch	Hospitals
US Veterans Medical Ctr	Martinez	Outpatient Services
Uss Posco Industries	Pittsburg	Steel Mills (mfrs)

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2023 1st Edition.

[Remainder of page intentionally left blank]

Effective Buying Income

"Effective Buying Income" is defined as personal income less personal tax and nontax payments, a number often referred to as "disposable" or "after-tax" income. Personal income is the aggregate of wages and salaries, other labor-related income (such as employer contributions to private pension funds), proprietor's income, rental income (which includes imputed rental income of owner-occupants of non-farm dwellings), dividends paid by corporations, interest income from all sources, and transfer payments (such as pensions and welfare assistance). Deducted from this total are personal taxes (federal, state and local), nontax payments (fines, fees, penalties, etc.) and personal contributions to social insurance. According to U.S. government definitions, the resultant figure is commonly known as "disposable personal income."

The following table summarizes the total median household effective buying income for the City, the County, the State and the United States for the period 2018 through 2023.

CITY OF CONCORD AND COUNTY OF CONTRA COSTA
MEDIAN HOUSEHOLD EFFECTIVE BUYING INCOME
As of January 1, 2018 through 2023

	2019	2020	2021	2022	2023
City of Concord	$70,582	$73,788	$78,221	$88,865	$88,468
County of Contra Costa	79,603	83,242	87,804	98,409	98,536
California	62,637	65,870	67,956	77,058	77,175
United States	52,841	55,303	56,790	64,448	65,326

Source: Claritas, LLC.

[Remainder of page intentionally left blank]

Commercial Activity

Summaries of historic taxable sales within the City and County during the past five years for which data are available are shown in the following tables.

During the first three quarters of calendar year 2022, total taxable transactions in the City were reported to be $2,566,338,873, representing a 5.57% increase over the total taxable transactions of $2,430,949,034 that were reported in the City during the first three quarters of calendar year 2021.

CITY OF CONCORD
Taxable Transactions
(Dollars in Thousands)

Year	Retail Permits on July 1	Retail Stores Taxable Transactions	Total Permits on July 1	Total Outlets Taxable Transactions
2017	1,998	$2,456,835	3,200	$2,943,978
2018	1,972	2,619,914	3,304	3,158,136
2019	2,014	2,563,170	3,426	3,117,791
2020	2,096	2,157,309	3,622	2,720,337
2021	1,888	2,672,273	3,303	3,294,509

Source: State Department of Tax and Fee Administration.

During the first three quarters of calendar year 2022, total taxable transactions in the County were reported to be $16,403,709,841, representing a 6.55% increase over the total taxable transactions of $15,395,997,943 that were reported in the County during the first three quarters of calendar year 2021.

COUNTY OF CONTRA COSTA
Taxable Transactions
(Dollars in Thousands)

Year	Retail Permits on July 1	Retail Stores Taxable Transactions	Total Permits on July 1	Total Outlets Taxable Transactions
2017	14,945	$12,302,863	24,114	$16,558,840
2018	15,095	13,163,891	25,317	17,607,890
2019	15,337	13,301,946	26,201	18,048,985
2020	15,832	13,037,715	27,445	17,907,507
2021	15,000	14,956,873	26,049	21,057,354

Source: State Department of Tax and Fee Administration.

Construction Activity

Construction activity in the City and the County for the past five years for which data is available are shown in the following tables.

CITY OF CONCORD
Building Permit Valuation
For Calendar Years 2017 through 2021
(Dollars in Thousands)

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$15,025.7	$2,595.3	$6,642.6	$8,942.2	$6,426.4
New Multi-family	1,338.4	0.0	0.0	66,600.0	378.3
Res. Alterations/Additions	53,378.7	21,309.5	16,660.5	15,766.9	22,565.1
Total Residential	$69,742.8	$23,904.8	$23,303.1	$91,309.1	$29,369.8
New Commercial	$24,977.4	$8,434.5	$963.1	$7,821.6	$17,149.9
New Industrial	245.0	0.0	1,580.0	3,200.0	0.0
New Other	6,539.5	17,148.3	15,644.9	2,298.0	3,886.2
Com Alterations/Additions	62,904.3	37,144.5	46,999.9	18,866.2	542.6
Total Nonresidential	$94,666.2	$62,727.3	$65,187.9	$32,185.8	$21,578.7
New Dwelling Units					
Single Family	76	18	30	53	52
Multiple Family	8	0	0	230	2
TOTAL	84	18	30	283	54

Source: Construction Industry Research Board, Building Permit Summary.

COUNTY OF CONTRA COSTA
Building Permit Valuation
For Calendar Years 2017 through 2021
(Dollars in Thousands)

	2017	2018	2019	2020	2021
Permit Valuation					
New Single-family	$541,940.5	$576,116.0	$502,567.7	$458,503.6	$605,008.9
New Multi-family	55,154.8	169,461.5	213,697.9	203,967.0	273,036.5
Res. Alterations/Additions	354,340.6	337,089.0	300,066.4	213,070.0	264,419.4
Total Residential	$951,435.9	$1,082,666.5	$1,016,332.0	$875,540.6	$1,142,464.8
New Commercial	$133,930.0	$200,592.4	$148,405.7	$175,260.2	$147,251.4
New Industrial	3,552.0	52,919.3	2,974.5	50,551.2	486.2
New Other	108,530.0	189,246.6	81,032.5	55,865.5	89,392.6
Com Alterations/Additions	361,757.0	287,139.5	240,543.0	142,395.8	144,697.4
Total Nonresidential	$607,769.0	$729,897.8	$472,955.7	$424,072.7	$381,827.6
New Dwelling Units					
Single Family	1,732	1,647	1,573	1,525	2,229
Multiple Family	272	1,161	1,229	1,243	1,695
TOTAL	2,004	2,808	2,802	2,768	3,924

Source: Construction Industry Research Board, Building Permit Summary.

Transportation

Centrally located in the East Bay region of the San Francisco Bay Area, the County is accessible to major transportation resources including Bay Area Rapid Transit which connects five counties and several cities within and outside the County, such as Oakland, Berkeley, Fremont, Walnut Creek, Pleasant Hill, Concord, Dublin and Pleasanton. The County is also in close proximity to Interstate Highways 5, 205, 580 and 680, and is approximately 20 miles east of Oakland International Airport and 30 miles northeast of San Francisco International Airport providing for convenient interstate transportation. The County is also home to two general aviation airports: Buchanan Field Airport and Byron Airport, located in the cities of Concord and Byron, respectively.

Education

The County is comprised of 19 school districts, 5 community colleges, and is both home to and has access to major universities, including California State University - East Bay, University of California - Berkeley, Mills College, San Francisco State University, Golden Gate University, St. Mary's College of California and John F. Kennedy University. The District serves approximately one-third of the territory of the County and is the largest K-12 school district within the County.

Recreation

The County is home to Mt. Diablo State Park (the "**Park**"), which was designated a State park in 1921. Within the Park, Mount Diablo has an elevation of 3,849 feet providing a view west across the Golden Gate Bridge to the Farallon Islands, southeast to the James Lick Observatory, south to the Santa Cruz Mountains, east to the San Joaquin and Sacramento Rivers and north to St. Helena and Mount Lassen in the Cascades. The Park's 22,000 acres consist mostly of typical central California oak and grassland country with extensive areas of chaparral. Areas of riparian woodland, knobcone pine and coulter pine are also scattered throughout the Park. Over 400 species of plants have been identified within the Park as well as abundant wildlife including deer, raccoons, gray fox, bobcat, mountain lions and striped and spotted skunks. The Park provides guided hiking, rock climbing, horseback riding, biking, camping, and picnic facilities to visitors.

The County also contains numerous local parks and recreation facilities including Lefty Gomez Recreation Building and Ball Field Complex, an eleven acre park with ball fields, tennis courts, playground equipment, picnic and barbecue facilities and a community center, Montalvin Park, a seven acre community park with a basketball court, tennis court and picnic facilities, Montara Bay Park Community Center and Ball Field Complex, a four acre complex with a ball field and community center and Rodeo Creek Trail, a two and a half mile trail with indigenous trees, shrubs, grasses and wildflowers.

APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF JONES HALL]

_________, 2022

Board of Education
Mt. Diablo Unified School District
1936 Carlotta Drive
Concord, California 94519

OPINION: $_____________ Mt. Diablo Unified School District
(Contra Costa County, California)
2023 Refunding General Obligation Bonds

Members of the Board of Education:

We have acted as bond counsel to the Mt. Diablo Unified School District (the "District") in connection with the issuance by the District of $_____________ principal amount of Mt. Diablo Unified School District (Contra Costa County, California) 2023 Refunding General Obligation Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Sections 53550 and 58580 of such Code (the "Act"), and a resolution of the Board adopted on March 22, 2023 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Resolution and in the certified proceedings and other certifications and opinions furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, under existing law, as follows:

1. The District is a duly created and validly existing unified school district with the power to issue the Bonds pursuant to the Act, and to perform its obligations under the Resolution and the Bonds.

2. The Resolution has been duly adopted by the Board, and constitutes a valid and binding obligation of the District enforceable upon the District in accordance with its terms.

3. The Bonds have been duly authorized, executed and delivered by the District, and are valid and binding general obligations of the District.

4. The Board of Supervisors of Contra Costa County is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

5. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It should be noted however that interest on the Bonds may be subject to the corporate alternative minimum tax. The opinions set forth in the preceding sentences are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended, that must be satisfied subsequent to the issuance of the Bonds in order that the interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the Bonds.

6. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

We express no opinion regarding any other tax consequences arising with respect to the ownership, sale or disposition of, or the amount, accrual or receipt of interest on, the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

Respectfully submitted,

A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$________
MT. DIABLO UNIFIED SCHOOL DISTRICT
(Contra Costa County, California)
2023 Refunding General Obligation Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is dated _____, 2023 and is executed and delivered by the Mt. Diablo Unified School District (the "District") in connection with the issuance of the above-captioned bonds (the "Bonds"). The Bonds are being issued under a resolution adopted by the Board of Education of the District on March 22, 2023 (the "Bond Resolution").

The District hereby 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 S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and 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*" means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently ending June 30th), or March 31.

"*Dissemination Agent*" means, initially, Isom Advisors, a Division of Urban Futures, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

"*Listed Events*" means any of the events listed in Section 5(a).

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Official Statement*" means the final official statement executed by the District in connection with the issuance of the Bonds.

"*Paying Agent*" means U.S. Bank Trust Company, National Association or any successor thereto.

"*Participating Underwriter*" means Stifel, Nicolaus & Company, Incorporated, the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" means 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.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing by March 31, 2024 with the report for the 2022-23 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if 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(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

(b) If the District does not provide (or cause the Dissemination Agent to provide) an Annual Report by the Annual Report Date, the District shall provide (or cause the Dissemination Agent to provide) notice to the MSRB, in a timely manner, in an electronic format as prescribed by the MSRB, with a copy to the Paying Agent.

(c) With respect to each Annual Report, the Dissemination Agent shall:

(i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and

(ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Audited financial statements 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 Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Unless otherwise provided in the audited financial statements filed on or before the Annual Report Date, the following information with respect to the most recently completed fiscal year or, if available at the time of filing, the then-current fiscal year:

(i) assessed valuation of taxable properties in the District for the most recently completed fiscal year;

(ii) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year to the extent available from the County;

(iii) if the District's levy for general obligation bonds is not included on the County's Teeter Plan, property tax collection delinquencies for the District for the most recently completed Fiscal Year but only if available from the County at the time of the filing of the Annual Report, for the prior fiscal year,

(iv) the most recently adopted budget or recently Board-approved interim report available at the time of filing the Annual Report which contains budgeted and projected figures, for the fiscal year in which the Annual Report is filed, and

(v) such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(c) 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 are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

(a) The District shall give, or cause to be given, notice of the occurrence of any of the following Listed Events with respect to the Bonds:

(1) Principal and interest payment delinquencies.

(2) Non-payment related defaults, if material.

(3) Unscheduled draws on debt service reserves reflecting financial difficulties.

(4) Unscheduled draws on credit enhancements reflecting financial difficulties.

(5) Substitution of credit or liquidity providers, or their failure to perform.

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed

Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

(7) Modifications to rights of security holders, if material.

(8) Bond calls, if material, and tender offers.

(9) Defeasances.

(10) Release, substitution, or sale of property securing repayment of the securities, if material.

(11) Rating changes.

(12) Bankruptcy, insolvency, receivership or similar event of the District.

(13) 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, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.

(16) 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) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), (a)(14) and (a)(15) of this Section contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Bonds. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above 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 United States 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 governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(e) For purposes of Section 5(a)(15) and (a)(16), the term "financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

Section 6. Identifying Information for Filings with the MSRB. All documents provided to the MSRB under the Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. 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(c).

Section 8. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any Dissemination Agent, with or without appointing a successor Dissemination Agent. Any Dissemination Agent may resign by providing 30 days' written notice to the District and the Paying Agent.

Section 9. 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 or 5(a), 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 the District with respect to the Bonds, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolution for amendments to the Resolution with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be filed in the same manner as for a Listed Event under Section 5(c).

Section 10. 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 Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails 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 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

(b) The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as amended from time to time, and shall be reimbursed for all expenses, legal fees and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder.

Section 13. <u>Beneficiaries</u>. 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.

Date: ________, 2023

MT. DIABLO UNIFIED SCHOOL DISTRICT

By: ____________________________________

Name: __________________________________

Title: ___________________________________

APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

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

Neither the District nor the Paying Agent take any responsibility for the information contained in this Section.

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

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Bonds"). The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned

subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com. *The information contained on this Internet site is not incorporated herein by reference.*

3. Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

4. 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 nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. 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 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 the notices be provided directly to them.

6. Redemption notices will 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.

7. Neither DTC nor Cede & Co. (nor such 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 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from District or Paying Agent on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, Paying Agent, or District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

10. 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.

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

APPENDIX G

CONTRA COSTA COUNTY INVESTMENT POLICY AND INVESTMENT REPORT