Los Angeles Unified School District
Debt Report
Fiscal Year 2021-22

David D. Hart
Chief Business Officer
June 13, 2023

LOS ANGELES UNIFIED SCHOOL DISTRICT

Office of the Chief Business Officer

ALBERTO M. CARVALHO
Superintendent of Schools

DAVID D. HART
Chief Business Officer

A Message to the Board of Education of the Los Angeles Unified School District and the District's Taxpayers

I present to you the report of the Los Angeles Unified School District's long-term debt (the "Debt Report"). It presents a complete picture of the District's indebtedness in the categories of General Obligation Bonds and Certificates of Participation. Sometimes referred to as "bonded indebtedness", long-term debt is typically used to finance capital projects with a long useful life. Issuing debt to pay for long-term assets is based upon the principle of matching the cost of acquiring the asset to the time period that taxpayers and the general community utilize those assets. The District strives to achieve an equitable balance between the debt burden to the community and the time frame over which the assets are to be used.

The vast majority of the District's capital projects fall within the new construction, modernization, technology and safety programs being financed with $27.605 billion of voter-approved General Obligation Bonds (GOs). The District also receives some State matching funds and other revenue sources to finance part of the GO bond program's projects. A relatively small number of projects have been financed with Certificates of Participation (COPs) that are repaid from the General Fund.

This report uses the words "bonds" and "debt" interchangeably, even when the underlying obligation does not technically constitute "debt" under California's Constitution[1]. This conforms with market convention for the general use of the term "debt" and "debt service" as applied to a variety of instruments in the municipal market, regardless of their precise legal status. The rating agencies and investor community evaluate the District's debt position based on all of its outstanding obligations whether or not such obligations are "debt" as defined within the California Constitution context.

The District has a comprehensive Debt Management Policy designed to assure the District follows best practices when debt is issued. A copy of the Debt Management Policy appears as Appendix 5 to this Debt Report.

General Obligation Bonds represent debt that is paid from voter approved *ad valorem* property taxes that are levied and collected by the County of Los Angeles. The proceeds of such *ad valorem* property tax levies are neither received by nor under the control of the District. The District's taxpayers have shown a strong commitment to the District's capital program by approving six General Obligation Bond authorizations since 1997. A top priority of the District is to manage the issuance of these bonds in a manner that minimizes the tax rates paid by our taxpayers, which the District believes it has accomplished, as more fully detailed in this Debt Report.

COPs represent debt that is paid from revenues under the District's control, such as General Fund revenues. To assure that issuance of such debt is undertaken in a prudent manner that protects the District's instructional programs and operations, the Board of Education has adopted a Debt Management Policy that prescribes limits

---

[1] "Debt" under the California Constitution excludes short-term obligations such as tax and revenue anticipation notes and lease transactions such as COPs.

to the amount and type of COPs indebtedness that may be undertaken. This Debt Report provides a discussion of the District's COPs issuance, which is in compliance with policy limitations.

Both General Obligation Bonds and COPs are considered "direct debt" of the District and are also included in the measurement of "overall direct debt" issued by all local public agencies within the District's boundaries. It is important to monitor the levels and growth of direct and overall direct debt as they reflect the debt burden borne by our taxpayers and provide perspective on taxpayers' capacity for future additional debt. The Debt Management Policy sets forth various municipal market debt ratios and benchmarks against which the District measures and compares its debt burden. This Debt Report provides a summary of the District's direct debt performance in this regard.

When debt is issued, independent credit rating agencies selected by the District assign a rating to the issue. Historically, the District's credit ratings on its GOs and COPs had been directly related to the financial condition and fiscal management of the District. However, following a legislative change that went into effect on January 1, 2016, certain rating agencies' methodologies on California school district GOs changed as more fully discussed in Section IV. As of June 30, 2022, the District's General Obligation Bond ratings were AA+ by Fitch Ratings, AAA by Kroll Bond Rating Agency (KBRA), Aa3 by Moody's Investors Service, and A+ by Standard & Poor's. However, subsequent to the reporting period, between November 2022 and January 2023, a number of the District's ratings were upgraded. In November, Moody's revised its Outlook on the District's GO bonds and COPs from Stable to Positive. Fitch raised the District's GO rating to AAA from AA+ and its IDR from A- to A and most recently, in January 2023, Standard & Poor's raised the District's GO credit rating to AA- from A+. In addition, as of June 30, 2022, the ratings on the District's COPs were A2 and A by Moody's Investors Service and Standard & Poor's respectively.

Depending on the rating agency and its methodology, these ratings are considered "best quality" to "upper medium grade". The ratings assigned to the District's General Obligation Bonds and COPs when issued, affect its interest payments and the cost to the District's taxpayers and the General Fund respectively. In addition, the fiscal health of the State can also affect the District's interest costs. At times, when the State's credit quality declined and its interest rates rose relative to market indices, the interest costs of other issuers viewed as "agencies" of the State, including the District, were also negatively impacted, though not as dramatically. Alternatively, as the State's credit improved, the interest costs of "agencies" of the State were positively impacted. A history of the District's credit ratings is provided in this Debt Report.

I hope that the information in this Debt Report can be used to support the development of sound capital plans and for adherence to the District's finance and debt policies. I look forward to working with you in pursuing such capital plans, as they provide critical guidance for the protection of the District's infrastructure and assets. Together with sound capital planning, the District's debt and finance policies help to secure the District's fiscal strength in the years ahead.

If you have any questions or comments regarding this Debt Report, please contact my office at (213) 241-7888. Your input is important to us and would be greatly appreciated.

Sincerely,

David D. Hart
Chief Business Officer

TABLE OF CONTENTS

SECTION I: GENERAL OBLIGATION BOND DEBT

A. District's Bonded Debt Limitation and Assessed Valuation Growth

As specified in Education Code Section 15106, the District's bonded debt limitation (also known as general obligation bonding capacity) equals 2.5% of the value of taxable property (i.e., assessed valuation) in the District. For Fiscal Year 2021-22, total assessed valuation in the District was $818.4 billion, resulting in a bonded debt limitation of $20.5 billion. Table 1 presents the District's maximum debt limit versus outstanding debt as of June 30, 2022. The difference is the "Legal Debt Margin."

Table 1
Bonded Debt Limitation and Legal Debt Margin
As of June 30, 2022
(in thousands)

Total Assessed Valuation	$	818,403,266
Bonded Debt Limitation (2.5% times Assessed Valuation)	$	20,460,082
Less: Outstanding General Obligation Bonds		(10,770,060)
Equals: Legal Debt Margin	**$**	**9,690,022**

In addition to new District debt issuance and the amortization pattern of its outstanding debt, the Legal Debt Margin is affected by the assessed valuation growth in the District. Assessed valuation typically grows up to the maximum base annual rate of 2% allowed under Proposition 13 for existing property, with additional growth coming from new construction and the sale and exchange of property. Chart 1 on page 2 shows assessed valuation in the District from 1993 to 2022. Chart 2 shows the annual growth rate in assessed valuation in the District over the same period. The District's assessed valuation for Fiscal Year 2022-23, which is one year beyond the reporting period in this report, is at an all-time high of $877.6 billion. The average growth rate has been 4.68% over the 30 years through FY 2021-22 and a higher 6.20% over the past 5 years.

Anticipated increases in future assessed valuation will permit issuance of new General Obligation Bonds to the extent that Proposition 39 tax rate limitations are not exceeded and bond proceeds on hand are sufficiently spent down. See Proposition 39 tax rate limitations in Section I.E.

Chart 1
LAUSD Assessed Valuation
(As of June 30, 2022)

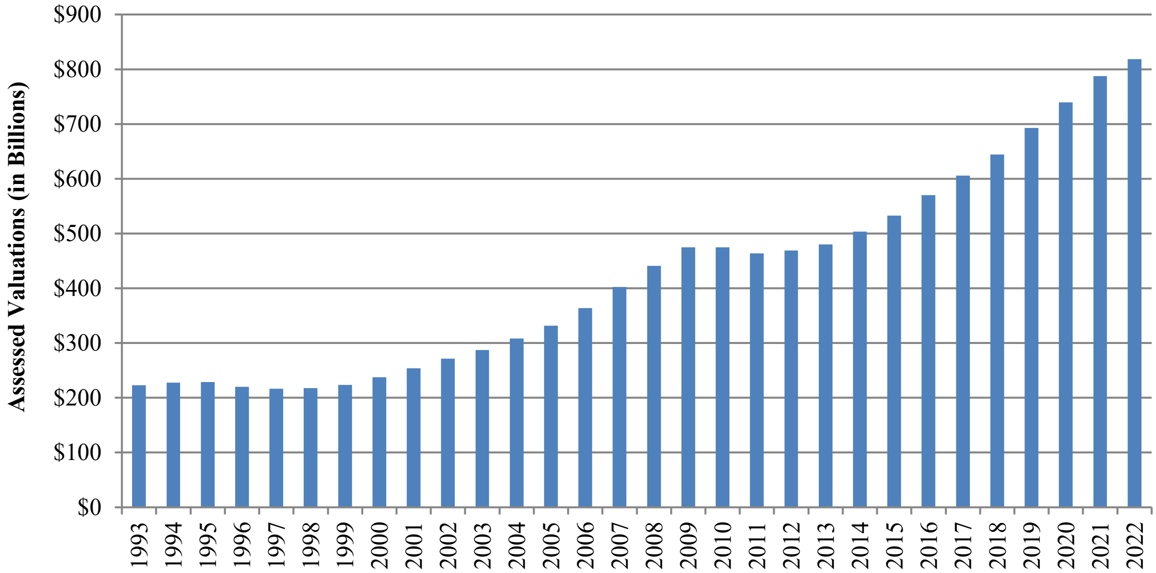
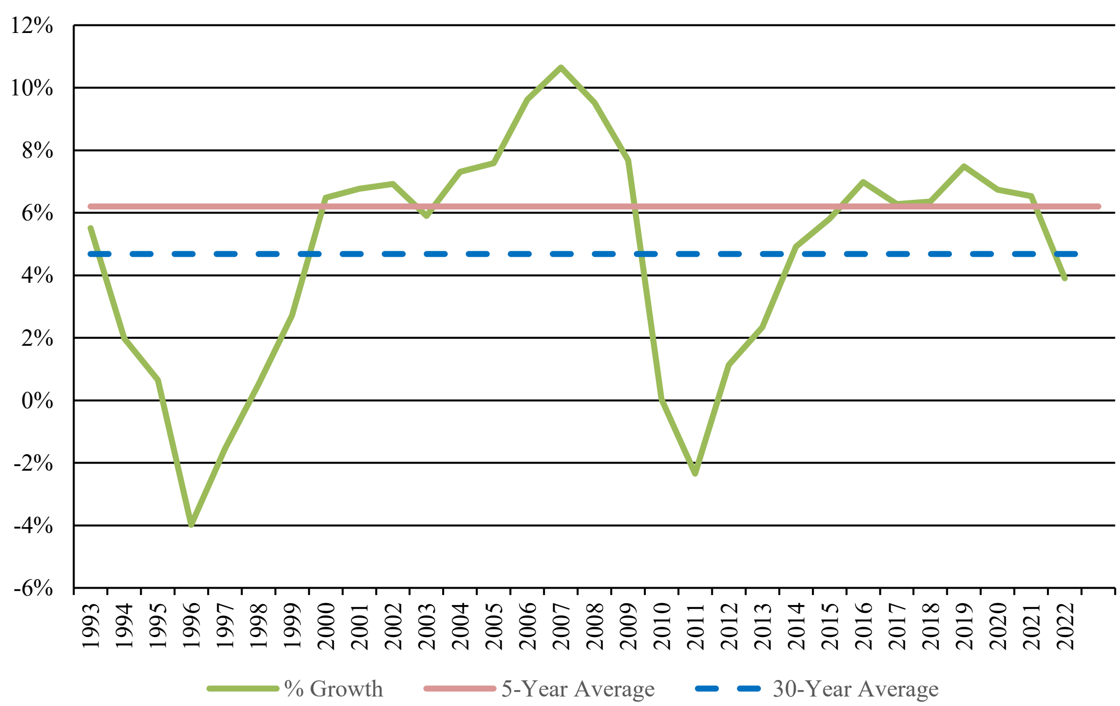


Chart 2
LAUSD Growth in Assessed Valuation
(As of June 30, 2022)



B. Bonds Outstanding and Bonds Authorized But Unissued

As of June 30, 2022, the District had a total of $10.770 billion of outstanding voter authorized General Obligation Bonds, for which a detailed listing and the debt service requirements can be found in Appendix 1-A and 1-B. In Fiscal Year 2021-22, the District issued $543.0 million of General Obligation bonds comprised of $494.1 million of new money bonds and $48.9 million General Obligation refunding bonds.[1]

The District had a total of $10.049 billion of authorized but unissued General Obligation Bonds as of June 30, 2022. Table 2 presents overall highlights of the District's authorized but unissued bonds.

Table 2
Authorized but Unissued General Obligation Bonds
As of June 30, 2022
(in thousands)

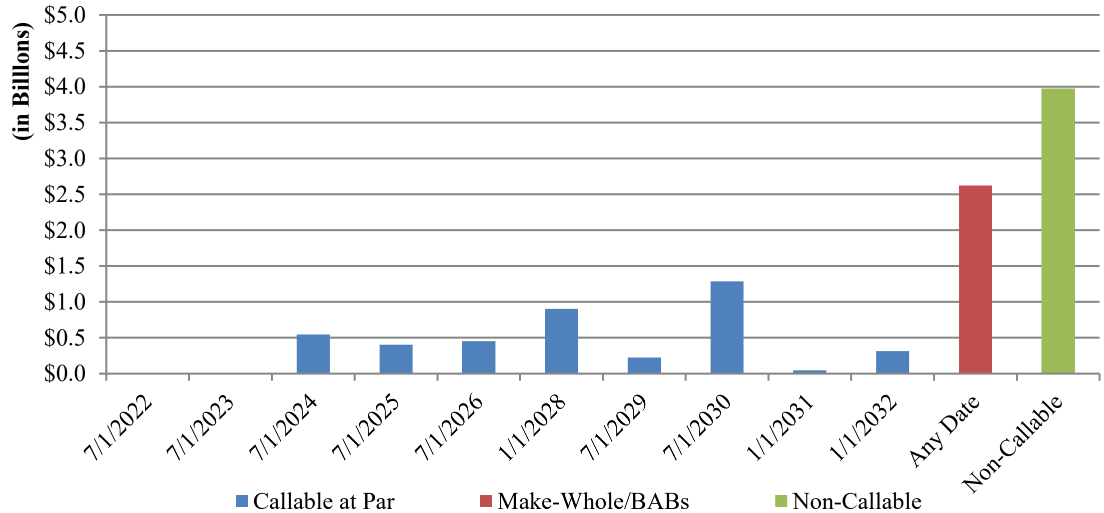
	Voter Authorization Amount	Issued	Authorized but Unissued
Proposition BB	$2,400,000	$2,400,000	$0
Measure K	3,350,000	3,350,000	0
Measure R	3,870,000	3,870,000	0
Measure Y	3,985,000	3,985,000	0
Measure Q	7,000,000	3,650,955	3,349,045
Measure RR	7,000,000	300,000	6,700,000
	$27,605,000	**$17,555,955**	**$10,049,045**

C. Distribution of Bonds by Prepayment/Call Flexibility; General Obligation Bond Refundings

The District's outstanding General Obligation Bonds have varying degrees of prepayment or call flexibility. Chart 3 shows the District's outstanding General Obligation Bonds by call date that are: 1) non-callable, 2) eligible to be current refunded with tax-exempt bonds, and 3) eligible to be refunded with a make whole call. The General Obligation Bonds that have a make whole/extraordinary redemption feature represent special bond structures permitted under the American Reinvestment and Recovery Act (ARRA); see Section I.D - "Federal Tax Subsidy and Tax Credit Bonds." On December 2017, the Federal government enacted the Tax Cuts and Jobs Act (Public Law No: 115-97), which eliminated the ability of state and local governments to do advance refundings with tax-exempt bonds. The chart below reflects current tax law.

[1] Subsequent to the reporting period, LAUSD issued $500 million of General Obligation Bonds, Series QRR (2022) on November 22, 2022.The Series QRR Bonds are comprised of $100 million of Measure Q Bonds and $400 million of Measure RR Bonds.

Chart 3
Distribution of Outstanding LAUSD G.O. Bonds
(by Call Date as of June 30, 2022)



The Chief Business Officer regularly monitors market conditions for refunding opportunities. Pursuant to the Debt Management Policy, the District will not proceed with a tax-exempt refunding unless it generates at least 3% net present value savings for each maturity of bonds refunded and for which the net present value savings is greater than negative arbitrage except under certain circumstances. Alternative structures such as taxable advance refundings or tax-exempt forward refundings may be acceptable if the net present value savings is in excess of 5% on a maturity by maturity basis and/or other benefits to the District are identified by the Chief Business Officer and the District's municipal advisor. Table 3 provides a summary of the savings from refundings that have been completed through June 30, 2022. These refundings are saving taxpayers approximately $1.45 billion over the term of the bonds.

Table 3
Summary of General Obligation Refunding Bonds Savings
(As of June 30, 2022)

Refunding Bond Issue	Amount Refunded (millions)	Term of the Refunding Bonds (years)	Total Savings (millions)
2002	$262.7	17	$12.8
2004 A-1 & A-2	215.7	18	10.6
2005 A-1 & A-2	486.0	20	38.4
2006 A	131.9	13	6.3
2006 B	561.4	21	29.3
2007 A-1 & A-2	1,250.3	21	82.1
2007 B	25.8	12	1.8
2009 A	72.3	9	2.1
2010 A	72.8	5	2.4
2011 A-1 & A-2	425.6	13	37.9
2012 A	158.8	17	12.9
2014	1,706.4	17	171.6
2015	378.1	10	81.0

2016 A	661.2	14	126.6
2016 B	563.0	16	166.5
2017 A	1,271.2	10	258.4
2019 A	687.6	15	170.8
2020 A	379.7	13	135.3
2021 A	240.1	11	67.6
2021 B	46.4	7	5.9
	$9,596.9		$1,420.3

D. Federal Tax Subsidy and Tax Credit Bonds

In Fiscal Year 2009-10, the District took advantage of new innovative bond programs available under the Federal government's American Reinvestment and Recovery Act (ARRA). These bond structures provided lower debt service than traditional tax-exempt bonds, with LAUSD achieving expected savings of $1.1 billion.

One of the federal programs, Build America Bonds (BABs), was a taxable bond program for which the federal government initially subsidized 35% of the interest cost. The District sold about $1.4 billion of taxable BABs in October 2009 and $1.25 billion in March 2010. Another federal program used by LAUSD at that time is known as Qualified School Construction Bonds (QSCBs). These were also taxable bonds, however, under this structure, investors receive a tax credit against their federal income tax, with low or no interest payments. The District sold $318.8 million of QSCBs to taxable investors in October 2009. The District also received a QSCB allocation of $290.2 million for 2010 and, under new legislation enacted in March 2010, sold QSCBs in May 2010, as subsidized taxable rather than tax credit bonds.

Sequestration. On March 4, 2013, the Internal Revenue Service announced certain automatic reductions to federal budget items would take place, effective March 1, 2013. Based upon the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the automatic reductions are due to "sequestration." Federal subsidies on BABs and QSCBs, among others, were reduced by 8.70%, a reduction of $3.2 million from the subsidies provided toward the District's July 1, 2013 bond interest cost. The sequestration has continued with the annual sequestration rate typically determined at the beginning of each Federal Fiscal Year (October 1). However, the IRS announced that the Federal subsidy for Federal Fiscal Years 2021 to 2030 would be reduced by 5.7%, resulting in $2.10 million less for each of the District's interest payments in January and July 2022. The reduced subsidies are offset by additional tax levies on District taxpayers. Unless Congress otherwise addresses the federal deficit matter, sequestration will occur each federal fiscal year.

E. Tax Rate Performance on Outstanding Bonds

The Tax Rate Statements for the District's six GO Bond authorizations set forth various assumptions including the average annual assessed valuation growth over the life of the bonds, the average interest rate on the future bond issuances, and the estimated tax rates to be paid by District taxpayers to service the debt on the outstanding GO Bonds. The assumptions in the respective Tax Rate Statements are not technically binding on the District, as actual issuance patterns, interest rates, and the growth pattern of the assessed valuation base combine to determine the actual tax rates. Nevertheless, the District actively manages its bond issuance program so that actual tax rates are close to or lower than the tax rates set forth in each respective Tax Rate Statement.

Table 4 below summarizes the assumptions in the Tax Rate Statements for each of the six bond measures for the assessed valuation growth rate and the interest rates on the bond sales. It also provides the election date, amount approved, and election authorization.

Table 4
Summary of Tax Rate Performance Assumptions

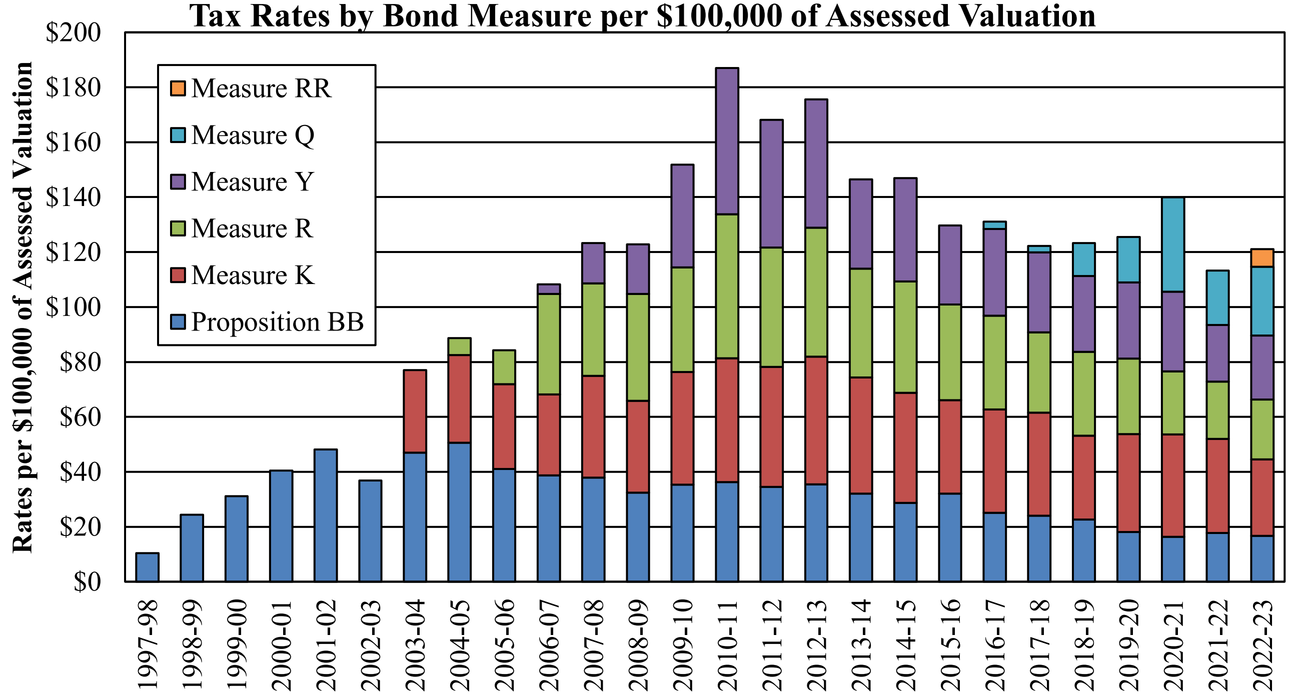
	Election Date	Amount (billions)	Assumed Average Assessed Valuation Growth	Assumed Interest Rate	Type of Election
Proposition BB	04/08/97	$2.400	2.0%	5.75%	Traditional 66 2/3rds% Minimum Approval
Measure K	11/05/02	3.350	3.9%	5.50%	Proposition 39 – 55%
Measure R	03/02/04	3.870	5.0%	5.25%	Proposition 39 – 55%
Measure Y	11/08/05	3.985	6.0%	5.25%	Proposition 39 – 55%
Measure Q	11/04/08	7.000	6.0%	5.25%	Proposition 39 – 55%
Measure RR	11/03/20	7.000	4.0%	4.00%	Proposition 39 – 55%

Table 5 on page 7 provides the assumptions included in the Tax Rate Statements for initial and future tax rates and actual results to date. Future tax rates will depend on a combination of additional bond issuance, future assessed valuation, and bond refundings. Chart 4, also on page 7, presents a history of the District's GO Bond tax rates by measure and in aggregate from FY1997-98 through FY2021-22.

Table 5
Estimated Tax Rates Set Forth in Tax Rate Statements for Measure BB, K, R, Y, Q and RR
(per $100,000 of Assessed Valuation)

Tax Rate Description	Proposition BB		Measure K		Measure R		Measure Y		Measure Q		Measure RR	
	As Projected in Tax Rate Statement	Actual/ Projected	As Projected in Tax Rate Statement	Actual/ Projected	As Projected in Tax Rate Statement	Actual/ Projected	As Projected in Tax Rate Statement	Actual/ Projected	As Projected in Tax Rate Statement	Actual/ Projected	As Projected at the Time of Election	Actual/ Projected
Estimated Tax Rate in FY Following 1st Issuance of Bonds	$23.43 FY 98-99	$24.42 FY 98-99	$47.53 FY 04-05	$30.01 FY 03-04	$21.93 FY 05-06	$12.33 FY 05-06	$5.74 FY 06-07	$3.45 FY 06-07	$0.00 FY 10-11	$2.73 FY 16-17	$2.31 FY 21-22	$6.42 FY 22-23
Estimated Maximum Tax Rate Year it Occurs	$67.36 FY 13-14	$50.55 FY 04-05	$59.38 FY 26-27	$46.46 FY 12-13	$60.00 FY 11-12	$52.37 FY 10-11	$60.00 FY 12-13	$53.23 FY 10-11	$60.00 FY 19-20	$43.75 FY 27-28	$39.06 FY 32-33	$37.79 FY 31-32
Current Tax Rate (2022-23)		**$16.72**		**$27.75**		**$21.81**		**$23.38**		**$24.99**		**$6.42**

Chart 4
Tax Rates by Bond Measure per $100,000 of Assessed Valuation



SECTION II: CERTIFICATES OF PARTICIPATION ("COPs")

A. COPs Outstanding

Over the years, the District has issued COPs to fund a variety of capital projects needed, either prior to the voter approval of GO measures or that were not eligible for GO funding, including the construction of non-school facilities, equipment, and certain IT systems. While all COPs are legally secured by the District's General Fund, debt service on certain COPs has been eligible to be repaid from other revenue sources. The District has strived to maximize the portion of its COPs debt service that is paid from non-General Fund sources, including using developer fees for debt service on projects related to enrollment growth or overcrowding and using cafeteria funds for cafeteria-related projects. The District has also prepaid COPs when possible with GO bond proceeds and other available funds, as described in the following Section II. B.

All of the District's outstanding COPs were issued as fixed rate financings. As of June 30, 2022, a total of $120.7 million of COPs were outstanding, net of defeased COPs. The debt service requirements on outstanding COPs can be found in Appendix 2.

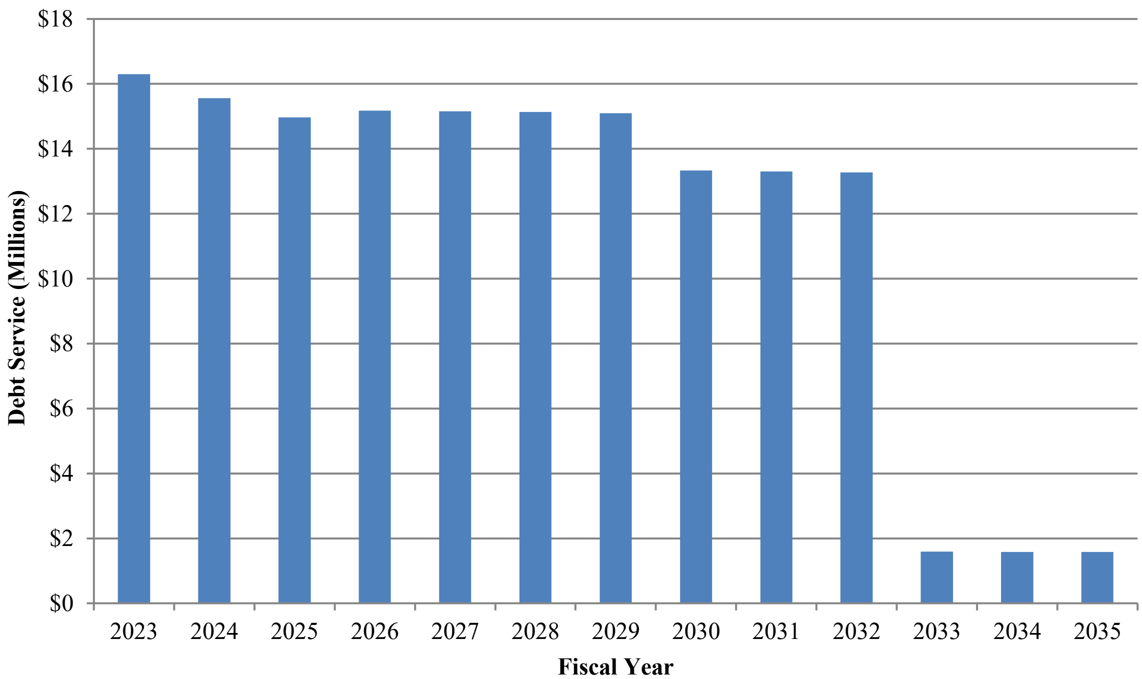
Table 6
Certificates of Participation Outstanding
As of June 30, 2022
(in thousands)[1]

Issue Description	Date of Issue	Principal Amount Issued	Principal Outstanding	Original Final Maturity
COPs (Refunding Headquarters Building Projects), 2012 Series A	06/12/2012	$87,845	$25,555	10/01/2031
COPs (Refunding Headquarters Building Projects), 2012 Series B	06/12/2012	72,345	68,830	10/01/2031
COPs (Refunding, 2020 Series A)	10/27/2020	28,390	26,325	10/01/2034
Total		**$188,580**	**$120,710**	

[1] Subsequent to the reporting period, on August 30, 2022, the District refunded $94.385 million of its outstanding COPs (Refunding Headquarters Building Projects), 2012 Series A and B through the 2022 Lease Agreement, a private placement. The $73.73 million refunding generated PV savings of $10.062 million (10.66% of refunded par) and nominal savings of $11.255 million.

Chart 5 shows COPs debt service as of the close of Fiscal Year 2021-22. Debt service payments from the General Fund total $152.0 million through the final maturity of the COPs.

Chart 5
Certificates of Participation Debt Service (Paid from General Fund)
(As of June 30, 2022)



B. COPs Refundings

As noted previously, the District relied on COPs in part to finance school facilities prior to the voter approval of its GO bond measures. Following voter approval, in Fiscal Years 2004-05 and 2005-06, the District used Measure R and Measure Y bond proceeds to defease $143.42 million and $177.95 million of COPs, respectively, providing direct General Fund savings. Similarly, in September 2010 and August 2014, the District used Measure Y bond proceeds, unspent project funds and other funds on hand with the COPs trustee to defease and/or prepay debt service payments on the 2007 Series A and 2009 Series A COPs relating to $63.45 million of principal. In the past, the District has also used other available amounts such as one-time funds and shifted certain debt service payments to non-General Fund sources such as developer fees to reduce its General Fund COPs debt service.

Table 7 below presents a history of the District's COPs refundings.

Table 7
Los Angeles Unified School District
Summary of COPs Refundings

Issue Description	Date of Issue	Principal Amount Issued (thousands)	Refunded COPs	Term of Refunding COPs (Years)	Nominal Savings (thousands)
1991 Refunding COPs (Francisco Bravo Medical Magnet Senior High School)	11/13/91	$46,110	1988 COPs	16.0	$1,609.4
1993 Refunding COPs[1]	11/15/93	69,925	1991 COPs	20.0	N/A
1998A Refunding COPs (Multiple Properties Project)	06/10/98	60,805	1993 Refunding COPs	16.0	3,076.7
2002A Refunding COPs (Francisco Bravo Medical Magnet Senior High School)	03/06/02	21,655	1991 Refunding COPs	6.5	6,755.2
2004A&B Refunding COPs (Refinancing Project I and Refunding Project I)	05/24/05	57,625	Portions of 2000A, 2001B&C, 2002B&C, and 2003A&B COPs	7.0	N/A
2004A, B and D General Obligation Bonds (Measure R)[2]	09/23/04	150,000	2000B and 2002B COPs	5.0	155,836.3
2005A Refunding COPs (Administration Building Project)[3]	05/24/05	86,525	2001C COPs	20.0	N/A
2005C Refunding COPs (Multiple Properties Project)[4]	05/24/05	44,225	1996 COPs	26.0	(8,922.4)
2006A, B and D General Obligation Bonds (Measure Y)[3]	02/22/06	184,385	2002A, 2003A and 2004 COPs	15.5	215,741.9
2008A&B Variable Rate Refunding COPs[5]	08/06/08	120,950	2005A&B COPs	23.0	N/A
2010A Refunding COPs (Multiple Properties Project)[6]	01/27/10	69,685	1997A and 1998A COPs	8.0	N/A
2012 A&B Refunding COPs (Admin. Building Projects)[7]	06/12/12	160,190	2001B, 2002C, 2008 A & B COPs	20.0	4,066.0
2013 Refunding Lease	06/24/13	24,780	2003B COPs	15.0	4,822.1
2014K General Obligation Bonds (Measure Y)[2]	08/19/14	33,360	2007A and 2009A	5.5	35,338.6
2020A COPs Refunding	10/27/20	28.39	2010 B-1/B-2 COPs; 2013A	14.0	8,733.8
				Total	**$427,057.6**

---

[1] The 1993 Refunding COPs refunded the 1991 COPs (Capital Facilities Project) that funded the acquisition of the Ambassador Hotel site through eminent domain. The legal documents for the 1991 COPs provided that said COPs would be refunded within three years if title to the Ambassador Hotel site had not been obtained. Since title had not been obtained by the three year mark, the District refunded the 1991 COPs. There were no savings associated with this refunding, as the transaction was done as a restructuring.

[2] These GO bonds shifted the COPs debt service from the District's General Fund to taxpayers, thereby saving General Fund resources.

[3] This series converted a prior fixed rate series to a variable rate structure. The District has indicated the savings for this transaction to be "not available" because future variable rates and ancillary costs could not be known with certainty at the time of the refunding and this table is meant to provide only actual savings.

[4] The amortization of this series was 20 years versus the 12 year amortization of the refunded bonds, resulting in dissavings in the out years.

[5] These series changed the variable rate structure from variable rate bonds secured with a line of credit and bond insurance to variable rate bonds secured by a letter of credit. Thus, no estimates of any savings were prepared at the time of the transaction, as the transaction was more a restructuring than a transaction designed to achieve savings.

[6] These series changed the refunded COPs' variable rate structure to a fixed rate structure. Savings are considered "not available" on the variable to fixed rate series because future variable rates and ancillary costs could not be known with certainty at the time of the refunding. This table is meant to provide only actual savings.

[7] These series converted two prior variable rate series (2008A and B) to a fixed-rate structure and refunded two fixed rate series. The savings shown in the table are only the known savings from the fixed-rate refunding of the two prior fixed rate series (the 2001B and 2002C). Savings are considered "not available" on the variable to fixed rate series because future variable rates and ancillary costs could not be known with certainty at the time of the refunding. This table is meant to provide only actual savings.

SECTION III: THE MARKET FOR THE DISTRICT'S DEBT

A. Municipal Bond Market

The District's GO bonds, COPs, and tax and revenue anticipation notes ("TRANs") are issued and traded in the United States' municipal bond market. Major groups of investors in this market include tax-exempt bond funds, insurance companies, investment bank portfolios, trust departments, investment advisors, individual investors, and money market funds. The various market participants may have different preferences for the structure and maturities of the bonds, COPs or TRANs that they purchase. As one of the largest issuers of municipal bonds in the country, the District is able to draw significant attention from these investor groups. The table to the right is a listing of the largest institutional holders of the District's long-term bonds that are required to publicly report their holdings. These generally include bond funds, professional retail investors such separately managed accounts and insurance companies.

Company	Thousands
Vanguard Group	$910,027
Blackrock	615,553
Mirae Asset Global Investment	400,000
Dodge & Cox	192,975
Franklin Resources	113,198
Alliance Bernstein	103,617
State Street	90,380
New York Life	88,777
Metlife Investment Management	68,221
Dimensional Fund Advisors	65,520
Prudential Financial	60,299
Goldman Sachs	52,708
Blackstone	49,825
Northwestern Mutual	46,440
Manulife Financial	46,415
FMR	45,339
Thornburg Investment Mgmt	43,640
JP Morgan	43,367
Guggenheim	41,090
Apollo Global Management	39,746

Source: Bloomberg as of April 2023

The District's borrowing costs reflect the interest rates the District achieves each time it sells bonds. Those rates are a function of many factors, including the credit ratings on the District's obligations, market interest rate levels, competing supply, investor asset levels, tax law, and anticipated Federal Reserve policy actions at the time of sale. These factors combine to determine the level of investor demand for the District's obligations and the interest rates achieved. For the District's voter approved general obligation bonds, an important credit factor is the fact the repayment of the bonds is from property taxes collected and held in trust by the County of Los Angeles. In addition, particularly on the COPs, an important determinant of the rates of return investors demand is their perception of the District's overall financial, debt and economic performance compared to other issuers. The investment community views the District's GOs as high-quality investment grade securities, owing to their repayment source and the vast local economy. The COPs which directly reflect the District's financial position are considered upper medium investment grade securities.

In addition to the federal tax-exemption available to all investors, the State's progressive income tax system provides in-state investors with additional incentives to purchase the District's tax-exempt GO bonds and COPs. We note that the Tax Reform and Jobs Act of 2017 (the "Act") had an impact on investor demand for tax-exempt bonds. On one hand, the Act capped the amount of property and income tax deductions that individuals can use to offset taxable income, which increased demand for tax-exempt obligations from investors in high tax states, such as California. On the other hand, the lower corporate tax rates reduced demand for tax-exempt obligations from banks. In addition, the interest rates on the District's and other local government issuers' bonds in California have also been subject to the State's fiscal position. Investor perception of the State's bonds had weakened significantly over a multi-year period beginning in 2009 due to the State's credit deterioration. During this period, the State's credit was downgraded by the three major rating agencies to the lowest level of any state in the country and its borrowing costs relative to other issuers rose dramatically. While not as dramatic, the State's credit issues had a direct impact on the borrowing costs of other issuers that were viewed as "agencies" of the State, such as LAUSD, even though the District's credit ratings remained well-above those of the State during that period. Over the last several years, however, the State's credit profile and credit ratings improved significantly. During this period, the Legislature passed on-time balanced budgets, the administration repaid a significant portion of its budgetary borrowings and the State built up its reserves. As a result, the State's credit ratings improved and its interest rates relative to national indices also improved dramatically. The State's improvement has in turn had a positive effect on interest rates for other California issuers associated with the State, including the District.

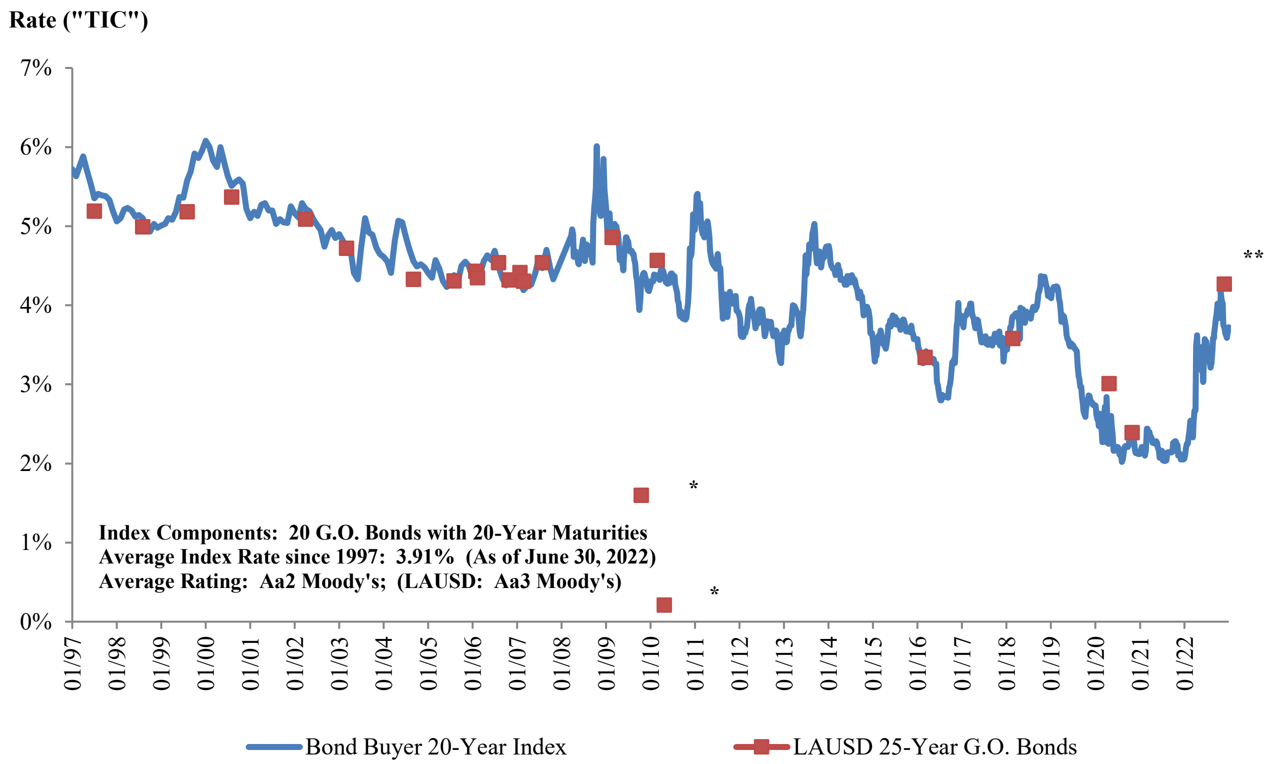
The District's interest rates are also subject to the broader financial market conditions. This was particularly apparent during the Great Recession and more recently, during the COVID-19 pandemic. During both the financial crisis and the early months of the COVID-19 pandemic, there were periods when market access became very restricted and with respect to the Great Recession, certain municipal products failed. While some products that had been common in the municipal market prior to the Great Recession, such as auction rate securities and AAA-rated bond insurance, are no longer available, the municipal market recovered following the Great Recession. In addition, following intervention by the federal government to address COVID-19 in spring 2020, access to the municipal market normalized and interest rates remained low throughout fiscal year 2020-21. More recently, starting in March 2022, to combat inflation, the Federal Reserve Board has increased the Federal Funds interest rate nine times totaling 475 basis points. This in turn impacts the District's costs of funds. The 25-year tax-exempt interest rate index, MMD, has risen 127 basis points through the same period.

B. Cost of the District's Debt; No Variable Rate Debt Outstanding

B-1. Fixed Rate Debt

All of the District's General Obligation Bond and COPs issues carry fixed interest rates. Since reaching a cyclical high in 1999, tax-exempt fixed interest rates have fallen dramatically. This has helped the District achieve very low interest costs on its General Obligation Bonds, as shown in Chart 6. The chart includes the Bond Buyer 20-Bond Index which consists of 20 General Obligation Bonds that mature in 20 years. The average rating of the 20 bonds is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard & Poor's AA. The District's new money bonds have typically been structured with a term to maturity of 25 years so, *ceteris paribus*, one would expect their True Interest Costs ("TICs") to be above the Index; however, yields on the District's issues tend to be similar to the Index. In addition, the District's TICs on its two QSCB issues in 2009 and 2010 were well below the Index due to the heavily subsidized interest rate provided under the QSCB program. A listing of the TICs for each series of 25-year General Obligation Bonds sold by the District is provided in Appendix 1-A.

Chart 6
True Interest Cost ("TIC") Rates on Actual LAUSD 25-Year G.O. Bond Issues
vs.
The Bond Buyer 20-Bond Index for G.O. Bonds



* The two low TIC outliers are the Election of 2005, Series H (2009) and Series J (2010) Qualified School Construction Bonds (Tax Credit Bonds)
** The Series QRR (2022) General Obligation Bonds were issued subsequent to the reporting period on November 22, 2022.

B-2. Variable Rate Debt

Current statutory provisions make it impractical for the District to issue variable rate General Obligation Bonds, as ancillary costs, such as remarketing fees and liquidity fees, cannot be paid from voter approved *ad valorem* property tax levies. Thus, while the vast majority of the District's debt has necessarily been issued as fixed rate bonds, the District has issued COPs in a variable rate mode from time to time. Variable rate COPs provide the District with the flexibility to prepay or restructure a portion of its debt and serves as a natural hedge to variable rate earnings. As of June 30, 2022, however, the District has no outstanding variable rate COPs.

SECTION IV: THE DISTRICT'S CREDIT RATINGS

A. Long-Term Credit Ratings on General Obligation Bonds and Certificates of Participation

Long-term credit ratings provided by a rating agency are an independent assessment of the relative credit risk associated with purchasing and holding a particular bond through its scheduled term of repayment. They serve as independent opinions of a borrower's financial strength and ability to repay its debt on a timely basis. Long-term credit ratings are one of the most important indicators of creditworthiness readily available to the investment community and have a direct impact on the borrowing rates paid by the District.

In July 2015, the California legislature enacted Senate Bill 222 ("SB222"), which became effective on January 1, 2016. SB222 established a statutory lien on the voter-approved property taxes that secure California school districts' General Obligation Bonds. Beginning with the March 1, 2016 GO bond sale, LAUSD capitalized on the legislative change and pursued ratings from Fitch Ratings ("Fitch") and Kroll Bond Rating Agency ("KBRA"), in addition to Moody's Investors Services ("Moody's) that had traditionally rated the District's GOs.

Table 8
Credit Ratings (as of June 30, 2022)
(District's GO Bond Ratings Highlighted in Red)
(District's COPs Ratings Highlighted in Blue)[1]

	Moody's	Fitch	KBRA	S&P
Best Quality	Aaa	AAA	**AAA**	AAA
High Quality	Aa1 Aa2 **Aa3**	**AA+** AA AA-	AA+ AA AA-	AA+ AA AA-
Upper Medium Grade	A1 **A2** A3	A+ A A-	A+ A A-	**A+** **A** A-
Medium Grade	Baa1 Baa2 Baa3	BBB+ BBB BBB-	BBB+ BBB BBB-	BBB+ BBB BBB-
Below Investment Grade	Ba1 and Lower	BB+ and Lower	BB+ And Lower	BB+ and Lower

S&P rates COPs one notch lower than its rating on General Obligation Bonds, whereas Moody's rates COPs two notches lower than its rating on General Obligation Bonds.

During FY 2022, there were no changes to the District's credit ratings. As of June 30, 2022, the District's GO bond ratings were AA+ from Fitch, AAA from KBRA, and Aa3 from Moody's. Fitch also provided the District with an Issuer Default Rating ("IDR") of "A-" which is based on the District's financial operations. The distinction between the "AA+" rating on the GO Bonds and the "A-" IDR reflects Fitch's assessment that the GO bondholders are "legally insulated from any operating risk of the District". As of June 30, 2022, any outstanding GO Bonds issued prior to Fiscal Year 2015-16 also have ratings of A+ by Standard & Poor's (S&P).

Depending on the rating agency and its methodology, as of June 30, 2022, the District's General Obligation Bond ratings are considered "best quality", "high quality" or "upper medium grade" as shown in Table 8. The District's COPs are currently rated A2 by Moody's and certain of the District's COPs are also rated by S&P at A, both considered in the "upper medium grade" category. Moody's and S&P generally rate General Obligation Bonds one to two notches higher than those of COPs, owing to the superior credit strength of the *ad valorem* property taxes pledged to repay General Obligation Bonds versus the General Fund pledge that supports repayment of COPs. Fitch and Kroll do not rate the District's outstanding COPs. A history of the District's General Obligation Bond and COPs ratings is presented in Appendix 3.

In addition to the rating itself, each rating agency publishes an outlook on the rating. Outlooks are either "Positive", "Stable" or "Negative." A "Positive" outlook indicates a possible upgrade in the rating may occur;

a "Negative" outlook indicates that a possible rating downgrade may occur; and a "Stable" outlook indicates that neither an upgrade nor a downgrade is anticipated.[1]

Recognizing the importance of high quality ratings, the Board of Education adopted a Budget and Finance Policy that, among other things, establishes a minimum 5% General Fund reserve effective July 1, 2005. In November 2013, the District adopted an updated Budget and Finance Policy that establishes a formula that calculates annual contributions to an Other-Post-Employment Benefit (OPEB) trust when the balances in the General Fund exceed the 5% minimum reserve threshold, subject to Board approval.

B. Short-Term Credit Ratings on Tax and Revenue Anticipation Notes

The District evaluates its monthly General Fund cash position as part of its cash management program's policy of ensuring timely payment of all operational expenses. It issued tax and revenue anticipation notes each Fiscal Year from Fiscal Year 1991-92 through Fiscal Year 2012-13 to finance periodic cash flow deficits and manage its cash flow needs. The District has always received the highest possible short-term ratings from Moody's (MIG 1) and S&P (SP-1+) on its TRANs and has always timely repaid its TRANs. The District has not issued TRANs since Fiscal Year 2012-13.

SECTION V: DEBT RATIOS

A. Use of Debt Ratios

Pursuant to the District's Debt Management Policy set forth in Appendix 5, the Chief Business Officer calculates certain debt factors and debt burden ratios, compares them to benchmarks, and reports the results in this Debt Report. Measuring the District's debt performance through the use of debt ratios provides a convenient way to compare the District to other borrowers. The most common debt ratios applied to school districts are:

- ❑ Ratio of Annual Lease Debt Service to General Fund Expenditures. The formula for this computation is annual lease debt service expenditures divided by General Funds (i.e., General and Debt Service Funds) expenditures (excluding interfund transfers) as reported in the most recent Audited Annual Financial Report.

- ❑ Proportion of Fixed-Rate and Variable-Rate COPs Issues. The Debt Management Policy requires the District to keep its variable rate exposure, to the extent not hedged or swapped to a fixed rate, at or below $100 million. If variable rate debt is issued, the Chief Business Officer periodically, but at least annually, determines whether it is appropriate to convert the debt to fixed interest rates. Such conversions were executed in Fiscal Year 2011-12.

- ❑ Ratio of Outstanding Debt to Assessed Value. The formula for this computation is contained in Section 15106 of the Education Code. The ratio is calculated for both "Direct Debt" (i.e., General Obligation Bonds) and "Combined Direct Debt" (both General Obligation Bonds and COPs), the latter commonly referred to as "Debt Burden" in the California Municipal Statistics Overlapping Debt Statement. In addition, the ratio "Overall Debt Burden" includes the District's Direct Debt plus the Direct Debt of

---

[1] Subsequent to the reporting period, on November 2, 2022, Moody's revised its Outlook on the District's GO bonds and COPs from Stable to Positive. In addition, on November 11, 2022, Fitch raised the District's GO rating to AAA from AA+ and its IDR to A from A-. Most recently, on January 20, 2023, Standard & Poor's raised the District's GO credit rating to AA- from A+.

issuers whose boundaries overlap those of the District. It is important to monitor the levels and growth of Direct Debt and Overall Direct Debt as they portray the debt burden borne by the District's taxpayers and serve as proxies for taxpayer capacity to take on additional debt in the future. A summary of overlapping debt in the District is set forth in Appendix 4.

- Ratio of Outstanding Debt Per Capita. The formula for this computation is Outstanding Debt divided by the population residing within the District's boundaries. Ratios are computed for both "Direct Debt Per Capita" and "Overall Debt Per Capita." It is important to monitor these ratios as they attempt to measure the degree to which debt is concentrated, i.e. whether it is spread across a large or small population. The District's ratios and benchmark targets are provided in Tables 9 and 10.

B. LAUSD's Compliance with Debt Management Policy; Debt Levels Compared to Other School Districts

Table 9 provides a summary of the District's performance against policy maximums for debt paid from General Fund or other resources controlled by the District, such as developer fees. The District's policy calls for such annual debt service to be no more than 2% of General Fund Expenditures. Fiscal Year 2021-22 COPs debt service was $16.4 million and future maximum annual COPs debt service is $16.3 million (2022-23). The District's actual performance is well within the policy ceilings for its COPs gross debt service and any unhedged variable rate obligations.

Table 9
Policy Benchmarks, Targets and Ceilings for Debt Paid From General Fund or Other Resources (COPs)
(As of June 30, 2022)

Factor	Maximum	LAUSD Actual	Over (Under) Policy Ceiling
Maximum COPs Gross Debt Service Limit	2% of General Fund Expenditures (FY2021-22)	0.18%	(1.82%)
Unhedged Variable Rate Debt	$100 million	$0	($100 million)

The District is the largest independent public school district in the United States. On the basis of its size, one could argue that it is appropriate to compare LAUSD to other entities with a similar size. However, those types of entities comprise a heterogeneous collection of cities, states, school districts and other public agencies rather than a homogenous group such as school districts. Thus, the Debt Management Policy requires the Chief Business Officer to compare the District to a cohort of other large school districts, even though that category includes districts with various types of funding mechanisms that are different than the District's and has no other districts as large as LAUSD.

Table 10 sets forth the debt burden ratios that recognize the direct debt and overall debt of the District compared to benchmarks for large school districts whose ratings are in the "Aa" category by Moody's.

Due to the statistical dispersion of the underlying data for the benchmarks in Table 10 and the large size of the District's bonding program relative to other large school districts, the District's debt burden ratios are higher than most of the benchmarks, which is not surprising. Nevertheless, the District believes the "large, highly-rated" school district cohort to be the most appropriate cohort group against which it should be compared.

Table 10
Policy Benchmarks for District's Direct and Overall Debt
(As of June 30, 2022) [1]

Debt Burden Ratio	Benchmark	Benchmark's Value	LAUSD Actual
Direct Debt to Assessed Value	Moody's Median for Aa Rated School Districts with Population Above 200,000	1.10%	1.30%
Overall Debt to Assessed Valuation	Moody's Median for Aa Rated School Districts with Population Above 200,000	2.60%	2.20%
Direct Debt Per Capita	Moody's Median for Aa Rated School Districts with Population Above 200,000	$1,704	$2,496
Overall Debt Per Capita	Moody's Median for Aa Rated School Districts with Population Above 200,000	$3,268	$4,104

[1] Source: Moody's; As of FY 2021-22 financials, FY 2022 assessed valuation and recent census data.

APPENDIX 1-A

Los Angeles Unified School District
General Obligation Bond Issuance and True Interest Cost
As of June 30, 2022[1]

Continued on the Following Page

Bond Issue	Date of Issue	Principal Amount Issued (thousands)	Outstanding Principal (thousands)	True Interest Cost (%)
Proposition BB Series A	7/22/1997	$356,000	$0	5.19%
Proposition BB Series B	8/25/1998	350,000	0	4.99%
Proposition BB Series C	8/10/1999	300,000	0	5.18%
Proposition BB Series D	8/3/2000	386,655	0	5.37%
Proposition BB Series E	4/11/2002	500,000	0	5.09%
Proposition BB Series F	3/13/2003	507,345	0	4.43%
Measure K Series A	3/5/2003	2,100,000	0	4.75%
Measure K Series B	2/22/2007	500,000	0	4.31%
Measure K Series C	8/16/2007	150,000	0	4.86%
Measure K Series D	2/19/2009	250,000	0	4.82%
Measure R Series A (5 year maturity)	9/23/2004	72,630	0	2.28%
Measure R Series B (5 year maturity)	9/23/2004	60,475	0	2.24%
Measure R Series C	9/23/2004	50,000	0	4.33%
Measure R Series D	9/23/2004	16,895	0	4.33%
Measure R Series E	8/10/2005	400,000	0	4.36%
Measure R Series F	2/16/2006	500,000	0	4.21%
Measure R Series G	8/17/2006	400,000	0	4.55%
Measure R Series H	8/16/2007	550,000	0	4.83%
Measure R Series I	2/19/2009	550,000	0	4.82%
Measure R Series J	8/19/2014	68,170	0	0.51%
Measure R Series K	8/19/2014	7,045	0	0.88%
Measure Y Series A	2/22/2006	56,785	0	3.72%
Measure Y Series B	2/22/2006	80,200	0	3.85%
Measure Y Series C	2/22/2006	210,000	0	4.15%
Measure Y Series D (taxable)	2/22/2006	47,400	0	5.18%
Measure Y Series E	8/16/2007	300,000	0	4.86%
Measure Y Series F	2/19/2009	150,000	0	4.82%
Measure Y Series G	10/15/2009	5,615	0	3.11%
Measure Y Series H	10/15/2009	318,800	318,800	1.60%
Measure Y Series I	3/4/2010	3,795	0	4.57%
Measure Y Series J-1 (QSCB)	5/6/2010	190,195	190,195	0.21%
Measure Y Series J-2 (QSCB)	5/6/2010	100,000	100,000	0.21%
Measure Y Series K	8/19/2014	35,465	0	0.84%
Measure Y Series L	8/19/2014	25,150	0	0.88%
Measure Y Series M-1	3/8/2018	117,005	108,220	3.56%

[1] Subsequent to the reporting period, LAUSD issued $500.0 million General Obligation Bonds, Series QRR (2022) on November 22, 2022 with a True Interest Cost of 4.27%

Continued from the Previous Page

Bond Issue	Date of Issue	Principal Amount Issued (thousands)	Outstanding Principal (thousands)	True Interest Cost (%)
Measure Y Series M-2	3/8/2018	12,995	0	1.86%
Measure Q Series A	4/5/2016	648,955	359,570	3.34%
Measure Q Series B-1	3/8/2018	$1,085,440	1,007,820	3.58%
Measure Q Series B-2	3/8/2018	134,560	0	1.86%
Measure Q Series C	11/10/2020	1,057,060	893,005	2.39%
Series KRY (BABs) (2009)	10/15/2009	1,369,800	1,369,800	3.73%
Series KRY (Tax Exempt (2009)	10/15/2009	205,785	0	2.53%
Series KRY (Tax Exempt) (2010)	3/4/2010	478,575	0	4.57%
Series KY (2010)	5/6/2010	159,495	0	4.44%
Series RY (BABs) (2010)	3/4/2010	1,250,585	1,250,585	4.44%
Series RYQ (2020)	4/30/2020	942,940	784,650	3.01%
2002 General Obligation Refunding Bonds	4/17/2002	258,375	0	2.46%
2004 General Obligation Refunding Bonds, Series A-1	12/21/2004	90,740	0	4.13%
2004 General Obligation Refunding Bonds, Series A-2	12/21/2004	128,385	0	4.38%
2005 General Obligation Refunding Bonds, Series A-1	7/20/2005	346,750	0	4.17%
2005 General Obligation Refunding Bonds, Series A-2	7/20/2005	120,925	0	4.22%
2006 General Obligation Refunding Bonds, Series A	2/22/2006	132,325	0	4.07%
2006 General Obligation Refunding Bonds, Series B	11/15/2006	574,905	0	4.32%
2007 General Obligation Refunding Bonds, Series A-1	1/31/2007	1,153,195	0	4.41%
2007 General Obligation Refunding Bonds, Series A-2	1/31/2007	136,055	0	4.41%
2007 General Obligation Refunding Bonds, Series B	2/22/2007	24,845	0	4.12%
2009 General Obligation Refunding Bonds, Series A	10/15/2009	74,765	0	2.53%
2010 General Obligation Refunding Bonds, Series A	3/4/2010	74,995	0	4.57%
2011 General Obligation Refunding Bonds, Series A-1	11/1/2011	206,735	27,435	2.75%
2011 General Obligation Refunding Bonds, Series A-2	11/1/2011	201,070	0	2.71%
2012 General Obligation Refunding Bonds, Series A	5/8/2012	156,000	17,090	2.75%
2014 General Obligation Refunding Bonds, Series A	6/26/2014	196,850	20,480	1.49%
2014 General Obligation Refunding Bonds, Series B	6/26/2014	323,170	100,155	1.96%
2014 General Obligation Refunding Bonds, Series C	6/26/2014	948,795	713,850	2.97%
2014 General Obligation Refunding Bonds, Series D	6/26/2014	153,385	95,430	2.60%
2015 General Obligation Refunding Bonds, Series A	5/28/2015	326,045	164,550	1.87%
2016 General Obligation Refunding Bonds, Series A	4/5/2016	577,400	238,230	1.73%
2016 General Obligation Refunding Bonds, Series B	9/15/2016	500,855	498,240	2.28%
2017 General Obligation Refunding Bonds, Series A	5/25/2017	1,080,830	1,031,175	1.94%
2019 General Obligation Refunding Bonds, Series A	5/29/2019	594,605	516,045	2.22%
2020 General Obligation Refunding Bonds, Series A	10/6/2020	302,000	291,455	1.26%
2021 General Obligation Refunding Bonds, Series A	4/29/2021	196,310	192,000	0.85%
2021 General Obligation Series RYRR	11/10/2021	494,140	432,425	2.42%
2021 General Obligation Refunding Bonds, Series B	11/10/2021	48,855	48,855	1.59%
	Total		**$10,770,060**	

APPENDIX 1-B

Los Angeles Unified School District
Outstanding Debt Service Payments on General Obligation Bonds
As of June 30, 2022 [1, 2]

Fiscal Year Ending June 30	Election of 1997 (Proposition BB)	Election of 2002 (Measure K)	Election of 2004 (Measure R)	Election of 2005 (Measure Y)	Election of 2008 (Measure Q)	Election of 2020 (Measure RR)	Aggregate Fiscal Year Debt Service
2023	$147,308,850	$265,685,807	$222,582,399	$261,853,216	$219,706,913	$11,189,056	$1,128,326,240
2024	148,256,525	258,904,604	222,524,449	267,927,441	219,509,563	22,216,306	1,139,338,887
2025	122,619,150	272,358,454	226,069,074	268,363,766	217,887,588	16,746,556	1,124,044,587
2026	75,466,375	276,910,673	226,810,424	268,265,426	217,747,213	16,739,681	1,081,939,791
2027	39,809,325	284,270,633	232,343,018	304,822,778	217,594,963	16,731,681	1,095,572,397
2028	10,813,100	184,785,644	253,532,604	257,183,396	222,661,838	16,721,806	945,698,387
2029	0	87,129,708	269,168,381	258,939,859	217,316,213	16,714,181	849,268,342
2030	0	89,964,184	223,268,181	333,446,767	217,178,088	16,702,931	880,560,151
2031	0	91,700,144	227,083,456	341,478,608	217,031,838	16,692,181	893,986,227
2032	0	94,287,081	271,963,604	309,995,669	217,112,838	16,685,806	910,044,998
2033	0	101,627,919	277,856,823	314,151,763	214,721,088	16,672,806	925,030,398
2034	0	103,357,938	282,564,537	317,509,596	221,621,513	16,662,181	941,715,764
2035	0	62,537,713	292,935,281	315,226,248	155,837,788	16,647,806	843,184,835
2036	0	0	8,913,913	22,431,606	221,650,038	16,633,556	269,629,113
2037	0	0	9,100,213	23,339,631	220,551,125	16,679,456	269,670,425
2038	0	0	8,963,613	22,650,481	221,023,563	16,669,256	269,306,913
2039	0	0	8,940,213	22,547,238	221,030,463	16,660,656	269,178,569
2040	0	0	8,574,413	20,673,425	222,902,944	16,647,956	268,798,738
2041	0	0	8,835,313	22,002,688	221,094,394	16,640,356	268,572,750
2042	0	0	10,378,613	29,825,025	167,855,325	16,631,956	224,690,919
2043	0	0	10,389,484	29,826,800	167,698,431	16,657,378	224,572,094
2044	0	0	10,383,841	21,593,653	90,409,450	16,648,488	139,035,431
2045	0	0	10,375,656	21,577,547	90,346,950	16,641,728	138,941,881
2046	0	0	6,875,800	3,890,591	112,000,175	16,631,469	139,398,034
2047	0	0	6,871,606	3,885,950	0	16,622,078	27,379,634
Total	$544,273,325	$2,173,520,499	$3,337,304,904	$4,063,409,165	$4,732,490,294	$416,887,316	$15,267,885,503

[1] Includes refunding bonds and excludes refunded bonds with respect to the particular bond authorization.
[2] Includes QSCB Sinking Fund Payments, but does not include BABs or QSCB Subsidies.

APPENDIX 2

Los Angeles Unified School District
Certificates of Participation Lease Obligations Debt Service Schedule
As of June 30, 2022

Fiscal Year Ending	Fiscal Year Total Debt Service (thousands)
06/30/2023	16,298
06/30/2024	15,560
06/30/2025	14,971
06/30/2026	15,171
06/30/2027	15,152
06/30/2028	15,136
06/30/2029	15,096
06/30/2030	13,330
06/30/2031	13,300
06/30/2032	13,270
06/30/2033	1,590
06/30/2034	1,586
06/30/2035	1,578
Total[1]	**$ 152,038**

[1] Totals may not equal sum of component parts due to rounding.

APPENDIX 3

Los Angeles Unified School District
History of Outstanding Underlying Fixed Rate Long-Term Ratings
(As of June 30, 2022)[1]

Fiscal Years	General Obligation Bonds				Certificates of Participation		
	Moody's	Fitch	KBRA	S&P	Moody's	Fitch	S&P
1988-1989	Aa2	Not rated	Not rated	AA	A1	Not rated	A+
1990-1992	Aa2	AA	Not rated	AA	A1	A+	A+
1992-1993	A1	AA	Not rated	AA-	A2	A+	A
1994-1995	A1	AA-	Not rated	AA-	A2	A	A
1996-1998	Aa3	AA-	Not rated	AA-	A2	A	A
1999-2000	Aa3	AA	Not rated	AA-	A2	A+	A
2001[2]-2002	Aa3	AA	Not rated	AA-	A2	A+	A+
2002-2003	Aa3	AA-	Not rated	AA-	A2	A	A+
2004-2005	Aa3	A+	Not rated	AA-	A2	A-	A+
2006-2008	Aa3	A+	Not rated	AA-	A2	A	A+
2008-2009	Aa3	Not rated	Not rated	AA-	A2	Not rated	A+
2009-2015[3]	Aa2	Not rated	Not rated	AA-	A1	Not rated	A+
2016[4]-2018	Aa2	AAA	AA+	AA-	A1	Not rated	A+
2019	Aa3	AAA	AA+	A+	A2	Not rated	A
2020[5]	Aa3	AA+	AAA	A+	A2	Not rated	A
2021[6]	Aa3	AA+	AAA	A+	A2	Not rated	A
2022	Aa3	AA+	AAA	A+	A2	Not rated	A

---

[1] Subsequent to the reporting period, on November 11, 2022, Fitch raised the District's GO rating to AAA from AA+ and its IDR to A from A-. On January 20, 2023, Standard & Poor's raised the District's GO credit rating to AA- from A+.

[2] Beginning in 2001, Standard and Poor's began to rate lease obligations only one notch (rather than the previous two notches) lower than the issuer's General Obligation Bond rating.

[3] Moody's implemented a migration of its rating scale that resulted in the indicated changes to the District's ratings on April 2010.

[4] In July 2015, the California legislature enacted Senate Bill 222 ("SB222") which became effective in January 2016. SB222 established a statutory lien in the voter-approved property taxes that secure California school districts' General Obligation Bonds. LAUSD capitalized on the legislative change and pursued ratings from two different rating agencies, Fitch and KBRA, in addition to Moody's that has traditionally rated the District's GOs.

[5] In August 2019, based on their updated analysis of the legal framework for school district bankruptcies in California, KBRA upgraded the LAUSD GO bonds it rates to AAA.

[6] In January 2021, Moody's revised its rating methodology for K-12 schools. Under the new methodology, Moody's now provides both a general obligation bond rating and an issuer credit rating to school districts nationally. In addition to affirming the District's General Obligation bond rating of Aa3, at the time it released the new methodology, Moody's also provided the District with an Issuer Rating of A1. The higher rating for the District's General Obligation bonds versus its Issuer Rating reflects its security structure, which relies on voter approved property taxes as the debt service repayment source.

APPENDIX 4

Los Angeles Unified School District
Statement of Overlapping Debt
As of June 30, 2022

Overlapping Debt Obligations

Set forth on the following page is the report prepared by California Municipal Statistics Inc. which provides information with respect to direct and overlapping debt within the District as of June 30, 2022 (the "Overlapping Debt Report"). The Overlapping Debt Report is included for general information purposes only. The District has not reviewed the Overlapping Debt Report for completeness or accuracy and makes no representations in connection therewith. The Overlapping Debt Report generally includes long-term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries of the District. Such long-term obligations generally are not payable from revenues of the District (except as indicated) nor are they necessarily obligations secured by land within the District. In many cases, long-term obligations issued by a public agency are payable only from the General Fund or other revenues of such public agency.

The first column in the Overlapping Debt Report names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in Overlapping Debt Report) produces the amount shown in Column 3, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

Los Angeles Unified School District
Schedule of Direct and Overlapping Bonded Debt
Year Ended June 30, 2022
(Unaudited)

Government	% Applicable	Amount Applicable
Direct:		
Los Angeles Unified School District		
General Obligation Bonds	100.000	$10,770,060,000
Certificates of Participation	100.000	120,710,000
		$10,890,770,000
Overlapping[1]:		
City of Los Angeles Tax and Assessment Debt	99.943	738,593,761
City of Los Angeles General Fund and Judgment Obligations	99.943	1,428,441,328
City of Los Angeles Redevelopment Agency Tax Increment Debt	100.000	305,955,000
Los Angeles Community College District Tax and Assessment Debt	81.807	3,392,139,526
Los Angeles County General Fund Obligations	46.192	1,246,425,114
Los Angeles County Superintendent of Schools Certificates of Participation	46.192	1,834,851
Los Angeles County Sanitation District Nos. 1,2,4,5,8,9,16 & 23 Authorities	Various	2,103,019
Metropolitan Water District Tax and Assessment Debt	24.039	4,849,868
Pasadena Area Community College District Tax and Assessment Debt	0.001	587
Pasadena Area Community College District General Fund Obligations	0.001	288
Other City Tax and Assessment Debt	Various	22,518,005
Other City General Fund and Pension Obligation Bonds	Various	486,786,257
City Community Facilities District Tax and Assessment Debt	100.000	87,710,000
Other City and Special District 1915 Act Bonds	0.005-100.000	21,373,437
Other Redevelopment Agencies	Various	244,975,220
Total Overlapping		$7,983,706,261
Total Gross Debt and Overlapping[2]		$18,874,476,261
Less:		
Los Angeles Unified School District General Obligation Bonds Election of 2005 Series H (2009) and Series J (2010) Qualified School Construction Bonds		
Amount accumulated in Interest and Sinking Fund and Set Aside Repayment		225,245,000
City supported obligations		199,873
Total Net Debt and Overlapping Debt		$18,649,031,388

[1] Generally includes long term obligations sold in the public credit markets by public agencies whose boundaries overlap the boundaries for the District.

[2] Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.