NEW ISSUES—BOOK-ENTRY ONLY | **Ratings: Moody's: "Aa3"**
S&P: "AA-"
(See "MISCELLANEOUS — Ratings" herein.)

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the New Money Bonds maturing on and after August 1, 2022 (the "Tax-Exempt Bonds") is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). In the further opinion of Bond Counsel, interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel is also of the opinion that interest on the Series 2021 Bonds is exempt from State of California personal income taxes. Bond Counsel further observes that interest on the Refunding Bonds and the New Money Bonds maturing on May 1, 2021 (the "New Money Taxable Bonds" and together with the Refunding Bonds, the "Taxable Bonds") is not excluded from gross income for federal income tax purposes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Series 2021 Bonds. See "TAX MATTERS" herein.

$94,680,000
GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds,
Election of 2016, Series 2021

$16,475,000
GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Refunding Bonds, Series 2021
(Federally Taxable)

Dated: Date of Delivery | **Due: As shown herein**

This cover page is not a summary of this issue; it is only a reference to the information contained in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021 (the "New Money Bonds") are issued by the Gilroy Unified School District (the "District"), located in the County of Santa Clara, California (the "County"), to (i) finance specific projects approved by the voters of the District, and (ii) pay costs of issuance of the New Money Bonds, as further described herein. The New Money Bonds were authorized at an election of the voters of the District held on June 7, 2016, at which at least 55% of the voters voting on the proposition authorized the issuance and sale of $170,000,000 principal amount of bonds of the District. The New Money Bonds are being issued under the laws of the State of California (the "State") and pursuant to a resolution of the Board of Education of the District, adopted on February 11, 2021.

The Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the "Refunding Bonds") are being issued (i) to refund a portion of the outstanding Gilroy Unified School District (County of Santa Clara, California) General Obligation Bonds, Election of 2008, Series 2015, (ii) to refund a portion of the outstanding Gilroy Unified School District (County of Santa Clara, California) General Obligation Refunding Bonds, Series 2015, and (iii) to pay costs of issuance of the Refunding Bonds. The Refunding Bonds are being issued under the laws of the State and pursuant to a resolution of the Board of Education of the District, adopted on February 11, 2021. The New Money Bonds and the Refunding Bonds are referred to collectively herein as the "Series 2021 Bonds."

The Series 2021 Bonds are payable from *ad valorem* taxes to be levied within the District pursuant to the California Constitution and other State law. The Board of Supervisors of the County is empowered and obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series 2021 Bonds, all as more fully described herein. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS" herein.

The Series 2021 Bonds will be issued as current interest bonds, as set forth on the inside front cover hereof. Interest on the Tax-Exempt Bonds and the Refunding Bonds is payable on each February 1 and August 1 to maturity or earlier redemption thereof, commencing August 1, 2021. Interest on the New Money Taxable Bonds is payable at maturity. Principal of the Tax-Exempt Bonds and the Refunding Bonds is payable on August 1 in each of the years and in the amounts set forth on the inside front cover hereof. Principal of the New Money Taxable Bonds is payable on May 1, 2021 in the amount set forth on the inside front cover hereof.

The Series 2021 Bonds will be issued in denominations of $5,000 principal amount, or any integral multiple thereof as shown on the inside front cover hereof.

The Series 2021 Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2021 Bonds. Individual purchases of the Series 2021 Bonds will be made in book-entry form only. Purchasers will not receive physical delivery of the Series 2021 Bonds purchased by them. See "THE SERIES 2021 BONDS – Form and Registration" herein. Payments of the principal of and interest on the Series 2021 Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as paying agent, registrar and transfer agent with respect to the Series 2021 Bonds, to DTC for subsequent disbursement to DTC participants, who will remit such payments to the beneficial owners of the Series 2021 Bonds. See "THE SERIES 2021 BONDS – Payment of Principal and Interest" herein.

The Series 2021 Bonds are subject to redemption prior to maturity as described herein. See "THE SERIES 2021 BONDS — Redemption" herein.

The Series 2021 Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Orrick, Herrington & Sutcliffe LLP, Irvine, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, Irvine, California, as Disclosure Counsel to the District; and for the Underwriter by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California, as Underwriter's Counsel. It is anticipated that the Series 2021 Bonds, in definitive form, will be available for delivery through the facilities of DTC on or about March 11, 2021.

RAYMOND JAMES

Dated: March 2, 2021

MATURITY SCHEDULE
BASE CUSIP[†]: 376087

$94,680,000
GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds, Election of 2016, Series 2021

$68,990,000 Serial New Money Bonds

Maturity	Principal Amount	Interest Rate	Yield	CUSIP Number[†]
New Money Taxable Bonds				
May 1, 2021	$9,315,000	0.180%	0.180%	HL9
Tax-Exempt Bonds				
August 1, 2022	$1,100,000	4.000%	0.150%	GN6
August 1, 2023	1,235,000	4.000	0.230	GP1
August 1, 2024	1,485,000	4.000	0.360	GQ9
August 1, 2025	1,755,000	4.000	0.480	GR7
August 1, 2026	1,960,000	4.000	0.600	GS5
August 1, 2027	2,245,000	4.000	0.750	GT3
August 1, 2028	2,570,000	4.000	0.880	GU0
August 1, 2029	2,165,000	4.000	0.980[C]	GV8
August 1, 2030	2,355,000	4.000	1.080[C]	GW6
August 1, 2031	2,565,000	4.000	1.170[C]	GX4
August 1, 2032	2,795,000	4.000	1.270[C]	GY2
August 1, 2033	2,810,000	4.000	1.370[C]	GZ9
August 1, 2034	3,055,000	4.000	1.480[C]	HA3
August 1, 2035	3,245,000	4.000	1.580[C]	HB1
August 1, 2036	2,965,000	4.000	1.650[C]	HC9
August 1, 2037	3,020,000	4.000	1.720[C]	HD7
August 1, 2038	3,085,000	4.000	1.790[C]	HE5
August 1, 2039	3,150,000	4.000	1.830[C]	HF2
August 1, 2040	5,015,000	4.000	1.880[C]	HG0
August 1, 2041	5,370,000	4.000	1.920[C]	HH8
August 1, 2042	5,730,000	4.000	1.960[C]	HW5

$12,245,000 4.000% Term Tax-Exempt Bonds due August 1, 2044 – Yield 2.030% [C] –CUSIP Number[†] HX3

$13,445,000 2.500% Term Tax-Exempt Bonds due August 1, 2046 – Yield 2.600% –CUSIP Number[†] HK1

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[C] Yield to call at par on August 1, 2028.

MATURITY SCHEDULE
BASE CUSIP†: 376087

$16,475,000
GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Refunding Bonds, Series 2021 (Federally Taxable)

$10,015,000 Serial Refunding Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP Number†
2021	$ 210,000	0.223%	0.223%	HM7
2022	335,000	0.273	0.273	HN5
2023	335,000	0.323	0.323	HP0
2024	335,000	0.532	0.532	HQ8
2025	340,000	0.922	0.922	HR6
2026	340,000	1.122	1.122	HS4
2027	5,970,000	1.426	1.426	HT2
2028	2,150,000	1.626	1.626	HU9

$6,460,000 2.917% Term Refunding Bonds due August 1, 2040 – Yield 2.917% –CUSIP Number† HV7

This Official Statement does not constitute an offering of any security other than the original offering of the Series 2021 Bonds by the District. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained in this Official Statement, and if given or made, such other information or representation not so authorized should not be relied upon as having been given or authorized by the District.

The Series 2021 Bonds are exempt from registration under the Securities Act of 1933, as amended, pursuant to Section 3(a)2 thereof. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy Series 2021 Bonds in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so, or to any person to whom it is unlawful to make such offer or solicitation.

The information set forth herein other than that furnished by the District, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness, and is not to be construed as a representation by the District. The information and expressions of opinions herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2021 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

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

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements." Such statements are generally identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "intend" or other similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The District does not plan to issue any updates or revisions to those forward-looking statements if or when their expectations, or events, conditions or circumstances on which such statements are based, occur.

The District maintains a website. However, the information presented there is not part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2021 Bonds.

In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market prices of the Series 2021 Bonds at levels above those that might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Series 2021 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices stated on the inside front cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)

BOARD OF EDUCATION

DISTRICT ADMINISTRATORS

Deborah A. Flores, Ph.D., Superintendent
Alvaro Meza, Assistant Superintendent, Business Services
Kimberly Smith, Director of Fiscal Services

PROFESSIONAL SERVICES

Municipal Advisor

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

Bond Counsel and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
Irvine, California

Paying Agent, Registrar and Transfer Agent

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

Escrow Bank for the Refunding Bonds

The Bank of New York Mellon Trust Company, N.A.
Dallas, Texas

Verification Agent

Causey Demgen & Moore P.C.
Denver, Colorado

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$94,680,000 GILROY UNIFIED SCHOOL DISTRICT (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021	$16,475,000 GILROY UNIFIED SCHOOL DISTRICT (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable)

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page, inside cover pages and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Series 2021 Bonds to potential investors is made only by means of the entire Official Statement.

General

This Official Statement, which includes the cover page, inside cover pages and appendices hereto, is provided to furnish information in connection with the sale of (i) $94,680,000 aggregate principal amount of Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021 (the "New Money Bonds") and (ii) $16,475,000 aggregate principal amount of Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the "Refunding Bonds"), all as indicated on the inside front cover hereof, to be offered by the Gilroy Unified School District (the "District"). The New Money Bonds and the Refunding Bonds are collectively referred to herein as the "Series 2021 Bonds."

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificates to be executed by the District. See "OTHER LEGAL MATTERS – Continuing Disclosure" and APPENDIX D – "FORMS OF CONTINUING DISCLOSURE CERTIFICATES."

The purpose of this Official Statement is to supply information to prospective buyers of the Series 2021 Bonds. Quotations from and summaries and explanations of the Series 2021 Bonds, the resolutions of the Board of Education of the District providing for the issuance of the Series 2021 Bonds, and the constitutional provisions, statutes and other documents described herein, do not purport to be complete, and reference is hereby made to said documents, constitutional provisions and statutes for the complete provisions thereof.

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 Series 2021 Bonds.

Copies of documents referred to herein and information concerning the Series 2021 Bonds are available from the District by contacting: Gilroy Unified School District, 7810 Arroyo Circle, Gilroy, California 95020, Attention: Superintendent. The District may impose a charge for copying, handling and mailing such requested documents.

The District

The District is located in the County of Santa Clara (the "County") and provides public education in kindergarten through twelfth grade ("K-12") within an approximately 260-square-mile area that includes all of the City of Gilroy and adjoining unincorporated areas.

The District operates seven elementary schools, three middle schools, two comprehensive high schools, one early college academy, one continuation high school and one adult education center. There is also one independent charter school, Gilroy Prep Academy/Navigator School ("Gilroy Prep Academy"), operating within the District. The District's enrollment for fiscal year 2019-20 was approximately 11,135 students and is projected to be 10,853 students in fiscal year 2020-21, excluding enrollment at Gilroy Prep Academy. The District's projected fiscal year 2020-21 general fund expenditures are expected to be approximately $156.29 million based on the District's first interim report for fiscal year 2020-21. Taxable property in the District has a fiscal year 2020-21 total assessed value of $11.98 billion. As of December 2020, the District employed approximately 1,039 full-time equivalent ("FTE") employees, consisting of approximately 575 FTE non-management certificated employees, approximately 40 FTE certificated management employees, approximately 20 FTE classified non-management employees and approximately 404 FTE classified management employees. The District operates under the jurisdiction of the Santa Clara County Superintendent of Schools.

The District is governed by a Board of Education (the "Board") consisting of seven trustees, each elected by voters within the applicable trustee area to serve four-year terms in staggered years. To enhance communication and collaboration between the Board and the student body, the Board supports student participation in District governance. Pursuant to Board Bylaws, high school students within the District may submit a petition requesting that the Board appoint one or more student representatives/trustees (up to one student trustee for each District-operated high school) for a term of one year, commencing on July 1. Once appointed, student representatives have the right to be seated with other members of the Board during open-session, participate in the questions and discussions and cast preferential votes on all open-session matters. Preferential votes are formal expression of the opinion of the student trustee(s) on the matters presented to the Board and are recorded in the minutes, but do not affect the outcome of a Board vote.

The Board closed the Antonio Del Buono Elementary School in summer 2020 (following the conclusion of the 2019-20 school year) due to declining enrollment. Beginning with the 2020-21 school year, students from the Antonio Del Buono Elementary School are attending either Luigi Aprea Elementary School or Rucker Elementary School.

The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). Deborah A. Flores, Ph.D., has served as the Superintendent of the District since July 2007. Dr. Flores began her educational career in 1975 as a special education teacher and has worked in various capacities in California school districts since then, including as the Superintendent of Lucia Mar Unified School District in San Luis Obispo County.

For additional information about the District, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET" and APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

For specific information on the impact of the Coronavirus Disease 2019 ("COVID-19") pandemic (i) on the security and source of payment for the Series 2021 Bonds, see "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS – Assessed Valuation of Property Within the District" and "–Tax Charges and Delinquencies," (ii) on the District's operations and finances, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease

Outbreak," (iii) on the fiscal year 2020-21 State budget, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – 2020-21 State Budget," and and (iv) on the proposed fiscal year 2021-22 State budget, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Proposed 2021-22 State Budget."

THE SERIES 2021 BONDS

Authority for Issuance; Purpose

New Money Bonds. The New Money Bonds are issued under the provisions of California Government Code Section 53506 et seq., including Section 53508.7 thereof, and California Education Code Section 15140 and Article XIIIA of the California Constitution and pursuant to a resolution adopted by the Board of Education of the District on February 11, 2021, relating to the New Money Bonds (the "New Money Resolution").

At an election held on June 7, 2016, the District received authorization under Measure E to issue general obligation bonds of the District in an aggregate principal amount not to exceed $170,000,000 to finance specified projects, including improving the quality of local school facilities, renovating or replacing leaky roofs, improving student access to computers and modern technology, renovating plumbing and sewer systems, making health, safety and security improvements, upgrading science labs and classrooms throughout the District, and constructing a new elementary school (the "2016 Authorization"). The measure received the required approval of at least 55% of the votes cast by eligible voters within the District. The New Money Bonds represent the third and final series of authorized bonds to be issued under the 2016 Authorization and will be issued to finance authorized projects. Following the issuance of the New Money Bonds, the District will have issued the total aggregate principal amount authorized under the 2016 Authorization. See "–Plan of Finance."

Refunding Bonds. The Refunding Bonds are issued pursuant to provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code and other applicable law, and a resolution adopted by the Board of Education of the District on February 11, 2021, relating to the Refunding Bonds (the "Refunding Resolution" and together with the New Money Resolution, the "Resolutions"). Proceeds from the Refunding Bonds will be used to (i) refund a portion of the outstanding Gilroy Unified School District (County of Santa Clara, California) General Obligation Bonds, Election of 2008, Series 2015 (the "Series 2015 New Money Bonds"), (ii) refund a portion of the outstanding Gilroy Unified School District (County of Santa Clara, California) General Obligation Refunding Bonds, Series 2015 (the "Series 2015 Refunding Bonds"), and (iii) pay costs of issuance with respect to the Refunding Bonds. See "−Plan of Refunding."

Form and Registration

The Series 2021 Bonds will be issued in fully registered form only, without coupons, in denominations of $5,000 principal amount or integral multiples thereof. The Series 2021 Bonds will initially be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Series 2021 Bonds. Purchases of Series 2021 Bonds under the DTC book-entry system must be made by or through a DTC participant, and ownership interests in Series 2021 Bonds will be recorded as entries on the books of said participants. Except in the event that use of this book-entry system is discontinued for the Series 2021 Bonds, beneficial owners of the Series 2021 Bonds ("Beneficial Owners") will not receive physical certificates representing their ownership interests. See APPENDIX F − "BOOK-ENTRY ONLY SYSTEM."

Payment of Principal and Interest

Interest. The Series 2021 Bonds will be dated as of their date of delivery, and bear interest at the rates set forth on the inside front cover pages of this Official Statement. Interest on the New Money Bonds maturing on and after August 1, 2022 (the "Tax-Exempt Bonds") and the Refunding Bonds is payable on February 1 and August 1 of each year (each a "2021-A Interest Payment Date"), commencing on August 1, 2021. Interest on the New Money Bonds maturing on May 1, 2021 (the "New Money Taxable Bonds") is payable at maturity (the "2021-B Interest Payment Date" and together with the 2021-A Interest Payment Dates, the "Interest Payment Dates"). Interest on the Series 2021 Bonds is computed on the basis of a 360-day year consisting of twelve 30-day months. Each Series 2021 Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless it is authenticated after the close of business on the 15th day of the calendar month immediately preceding an Interest Payment Date for such Series 2021 Bond (the "Record Date") and on or prior to the succeeding Interest Payment Date for such Series 2021 Bond, in which event it will bear interest from such Interest Payment Date for such Series 2021 Bond, or unless it is authenticated on or before the Record Date preceding the first Interest Payment Date for such Series 2021 Bond, in which event it will bear interest from its dated date; provided, however, that if, at the time of authentication of any Series 2021 Bond, interest is in default on any outstanding Series 2021 Bonds, such Series 2021 Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Series 2021 Bonds.

Payment of Series 2021 Bonds. The principal of the Series 2021 Bonds is payable in lawful money of the United States of America to the Owners thereof, upon the surrender thereof at the principal corporate trust office of The Bank of New York Mellon Trust Company, N.A., as paying agent (the "Paying Agent") at the maturity thereof or upon redemption prior to maturity.

Interest on the Series 2021 Bonds is payable in lawful money of the United States of America by check or draft mailed on each Interest Payment Date (if a business day, or on the next business day if the Interest Payment Date does not fall on a business day) to the registered owner thereof (the "Owner") at such Owner's address as it appears on the bond registration books kept by the Paying Agent or at such address as the Owner may have filed with the Paying Agent for that purpose, except that the payment will be made by wire transfer of immediately available funds to any Owner of at least $1,000,000 of outstanding Series 2021 Bonds who have requested in writing such method of payment of interest prior to the close of business on a Record Date. So long as the Series 2021 Bonds are held by Cede & Co., as nominee of DTC, payment will be made by wire transfer. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM."

Redemption

Optional Redemption of the New Money Bonds. The New Money Bonds maturing on or before August 1, 2028, are not subject to optional redemption prior to their respective stated maturity dates. The New Money Bonds maturing on or after August 1, 2029, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2028, at a redemption price equal to the principal amount of the New Money Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Optional Redemption of the Refunding Bonds. The Refunding Bonds maturing on or before August 1, 2028, are not subject to optional redemption prior to their respective stated maturity dates. The Refunding Bonds maturing on August 1, 2040, are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, as a whole or in part on any date on or after August 1, 2028, at a redemption price equal to the principal amount of the Refunding Bonds called for redemption, together with interest accrued thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of New Money Bonds. The $12,245,000 term New Money Bonds maturing on August 1, 2044 are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2043	$5,940,000
2044†	6,305,000

† Maturity.

The principal amount of the $12,245,000 term New Money Bonds maturing on August 1, 2044, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000, by any portion of such term New Money Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

The $13,445,000 term New Money Bonds maturing on August 1, 2046 are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2045	$6,560,000
2046†	6,885,000

† Maturity.

The principal amount of the $13,445,000 term New Money Bonds maturing on August 1, 2046, to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000, by any portion of such term New Money Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Mandatory Sinking Fund Redemption of Refunding Bonds. The $6,460,000 term Refunding Bonds maturing on August 1, 2040 are subject to mandatory sinking fund redemption on August 1 in each of the years and in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, together with interest accrued thereon to the date fixed for redemption, without premium:

Mandatory Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2039	$3,075,000
2040†	3,385,000

† Maturity.

The principal amount of the $6,460,000 term Refunding Bonds maturing on August 1, 2040 to be redeemed in each year shown above will be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000, by any portion of such term Refunding Bonds optionally redeemed prior to the mandatory sinking fund redemption date.

Selection of Series 2021 Bonds for Redemption. If less than all of the Series 2021 Bonds are called for redemption, the Series 2021 Bonds will be redeemed in inverse order of maturities or as otherwise directed by the District. Whenever less than all of the outstanding Series 2021 Bonds of any one maturity are designated for redemption, the Paying Agent will select the outstanding Series 2021 Bonds of such maturity to be redeemed by lot in any manner deemed fair by the Paying Agent. For purposes of such selection, each Series 2021 Bond will be deemed to consist of individual Series 2021 Bonds of denominations of $5,000 principal amount, each, which may be separately redeemed.

Notice of Redemption. Notice of any redemption of the Series 2021 Bonds will be given by the Paying Agent, postage prepaid, not less than 20 nor more than 60 days prior to the redemption date (i) by first class mail to the County and the respective Owners thereof at the addresses appearing on the bond registration books, and (ii) as may be further required in accordance with the Continuing Disclosure Certificate with respect to the Series 2021 Bonds. See APPENDIX D – "FORMS OF CONTINUING DISCLOSURE CERTIFICATES."

Each notice of redemption is to contain the following information: (i) the date of such notice; (ii) the name of the Series 2021 Bonds and the date of issue of such Series 2021 Bonds; (iii) the redemption date; (iv) the redemption price; (v) the dates of maturity or maturities of Series 2021 Bonds to be redeemed; (vi) if less than all of the Series 2021 Bonds of any maturity are to be redeemed the distinctive numbers of the Series 2021 Bonds of each maturity to be redeemed; (vii) in the case of Series 2021 Bonds redeemed in part only, the respective portions of the principal amount of the Series 2021 Bonds of each maturity to be redeemed; (viii) the CUSIP number, if any, of each maturity of Series 2021 Bonds to be redeemed; (ix) a statement that such Series 2021 Bonds must be surrendered by the Owners at the principal corporate trust office of the Paying Agent, or at such other place or places designated by the Paying Agent; (x) notice that further interest on such Series 2021 Bonds will not accrue after the designated redemption date; and (xi) in the case of a conditional notice, that such notice is conditioned upon certain circumstances and the manner of rescinding such conditional notice. The actual receipt by the Owner of any Series 2021 Bond or by any securities depository or information service of notice of redemption will not be a condition precedent to redemption. Neither the failure to receive such notice of redemption, nor any defect in such notice is to affect the sufficiency of the proceedings for the redemption of such Series 2021 Bonds called for redemption or the cessation of interest on the date fixed for redemption.

Effect of Notice of Redemption. When notice of redemption has been given substantially as described above, and when the redemption price of the Series 2021 Bonds called for redemption is set aside for the purpose of redeeming the Series 2021 Bonds, the Series 2021 Bonds designated for redemption shall become due and payable on the specified redemption date and interest ceases to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2021 Bonds at the place specified in the notice of redemption, such Series 2021 Bonds are to be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Series 2021 Bonds so called for redemption after such redemption date are entitled to the payment of such Series 2021 Bonds and the redemption premium thereon, if any, only from monies on deposit in the interest and sinking fund of the District within the County treasury (the "Interest and Sinking Fund") or the trust fund established for such purpose. All Series 2021 Bonds redeemed are to be cancelled forthwith by the Paying Agent and are not to be reissued.

Right to Rescind Notice. The District may rescind any optional redemption and notice thereof for any reason on any date prior to the date fixed for redemption by causing written notice of the rescission to be given to the owners of the Series 2021 Bonds so called for redemption. Any optional redemption and notice thereof may be rescinded if for any reason on the date fixed for redemption monies are not available in the Interest and Sinking Fund or otherwise held in trust for such purpose in an amount sufficient to pay in full on said date the principal of, interest, and any premium due on the Series 2021 Bonds called for redemption. Notice of rescission of redemption is to be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Series 2021 Bond of notice of such rescission is not a condition precedent to rescission, and failure to receive such notice or any defect in such notice does not affect the validity of the rescission.

Funds for Redemption. Prior to or on the redemption date of any Series 2021 Bonds there is to be available in the Interest and Sinking Fund, or held in trust for such purpose as provided by law, monies for the purpose and sufficient to redeem, at the redemption prices as provided in the Resolutions, provided, the Series 2021 Bonds designated in the notice of redemption. Such monies are to be applied on or after the redemption date solely for payment of principal of, interest and premium, if any, on the Series 2021 Bonds to be redeemed upon presentation and surrender of such Series 2021 Bonds, provided that all monies in the Interest and Sinking Fund are to be used for the purposes established and permitted by law. Any interest due on or prior to the redemption date is to be paid from the Interest and Sinking Fund, unless otherwise provided to be paid from such monies held in trust. If, after all of the Series 2021 Bonds have been redeemed and cancelled or paid and cancelled, there are monies remaining in the Interest and Sinking Fund or otherwise held in trust for the payment of redemption price of the Series 2021 Bonds, the monies are to be held in or returned or transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from such fund; provided, however, that if the monies are part of the proceeds of bonds of the District, the monies are to be transferred to the fund created for the payment of principal of and interest on such bonds. If no such bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

Defeasance of Series 2021 Bonds

The District may pay and discharge any or all of the Series 2021 Bonds by depositing in trust with the Paying Agent or an escrow agent at or before maturity, money or non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America, in an amount which will, together with the interest to accrue thereon and available monies then on deposit in the Interest and Sinking Fund, be fully sufficient to pay and discharge the indebtedness on such Series 2021 Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates.

Unclaimed Monies

Any money held in any fund created pursuant to the Resolutions or by the Paying Agent or an escrow agent in trust for the payment of the principal of, redemption premium, if any, or interest on the Series 2021 Bonds and remaining unclaimed for two years after the principal of all of the Series 2021 Bonds has become due and payable (whether by maturity or upon prior redemption) is to be transferred to the Interest and Sinking Fund for payment of any outstanding bonds of the District payable from such fund; or, if no such bonds of the District are at such time outstanding, the monies are to be transferred to the general fund of the District as provided and permitted by law.

Plan of Finance

The New Money Bonds represent the third and final series of authorized bonds to be issued under the 2016 Authorization and will be issued to (i) finance specific projects approved by the voters of the District, and (ii) pay costs of issuance with respect to the New Money Bonds.

Under California law, all money received by or apportioned to a school district must generally be paid into and held in the County treasury. The proceeds from the sale of the New Money Bonds, exclusive of any premium and accrued interest received by the District, will be deposited in the County treasury to the credit of the building fund of the District (the "Building Fund") and will be accounted for together with the proceeds of other bonds of the District separately from all other District and County funds. Such proceeds will be applied solely for the purposes for which the New Money Bonds were authorized. Any premium or accrued interest on the New Money Bonds received by the District will be deposited in the Interest and Sinking Fund in the County treasury. Interest and earnings on each fund will accrue to that fund. All funds held by the Director of Finance of the County (the "County Treasurer") in the Building Fund and the Interest and Sinking Fund are expected to be invested at the sole discretion of the County Treasurer on behalf of the District in such investments as are authorized by Section 53601 and following of the California Government Code and the investment policy of the County, as either may be amended or supplemented from time to time. See APPENDIX E – "SANTA CLARA COUNTY AND TREASURY INVESTMENT POLICY AND POOLED SURPLUS INVESTMENTS" for a description of the permitted investments under the investment policy of the County. In addition, to the extent permitted by law and the investment policy of the County, the District may request in writing that all or any portion of the funds held in the Building Fund of the District may be invested in investment agreements, including guaranteed investment contracts, float contracts or other investment products which comply with the requirements of each rating agency then rating the New Money Bonds. The County Treasurer does not monitor such investments for arbitrage compliance and does not perform any arbitrage calculations with respect to such investments.

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Plan of Refunding

The Refunding Bonds will be issued (i) to refund and defease a portion of the outstanding Series 2015 New Money Bonds maturing on August 1, 2040, as set forth below (the "Refunded 2015 New Money Bonds"), (ii) to refund and defease a portion of the outstanding Series 2015 Refunding Bonds maturing on August 1 in the years 2027 and 2028, as set forth below (the "Refunded 2015 Refunding Bonds" and together with the Refunded 2015 New Money Bonds, the "Refunded Bonds"), and (iii) to pay certain costs of issuance of the Refunding Bonds.

REFUNDED 2015 NEW MONEY BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Redemption Date	CUSIP†
2040	$ 6,350,000	5.000%	3.000%	August 1, 2024	376087 DZ2

REFUNDED 2015 REFUNDING BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Redemption Date	CUSIP†
2027	$5,625,000	5.000%	2.310%	August 1, 2024	376087 DV1
2028	2,000,000	5.000	2.380	August 1, 2024	376087 DW9

The maturities of the District's outstanding Series 2015 New Money Bonds and Series 2015 Refunding Bonds listed in the following tables will not be refunded with proceeds of the Refunding Bonds.

UNREFUNDED SERIES 2015 NEW MONEY BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2033	$1,360,000	3.000%	3.210%	376087 DX7
2034	1,545,000	3.000	3.250	376087 DY5
2035	1,625,000	3.000	3.260	376087 EB4
2036	1,780,000	3.000	3.300	376087 EC2
2038	4,725,000	3.125	3.370	376087 ED0
2044	13,000,000	4.000	3.540	376087 EA6

UNREFUNDED SERIES 2015 REFUNDING BONDS

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2021	$3,200,000	4.000%	1.350%	376087 DP4
2022	3,440,000	4.000	1.550	376087 DQ2
2023	3,775,000	4.000	1.700	376087 DR0
2024	4,130,000	4.000	1.870	376087 DS8
2025	4,430,000	4.000	2.060	376087 DT6
2026	5,035,000	4.000	2.260	376087 DU3

The District and U.S. Bank National Association, as escrow bank (the "Escrow Bank") will enter into the Escrow Agreement, dated as of March 1, 2021 (the "Escrow Agreement"), with respect to the

† CUSIP® numbers are provided for convenience of reference only. None of the District, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

Refunded Bonds, pursuant to which the District will deposit a portion of the proceeds from the sale of the Refunding Bonds into a special fund to be held by the Escrow Bank. The amounts deposited with the Escrow Bank with respect to the Refunded Bonds, which will be held pursuant to the Escrow Agreement, will be used to purchase non-callable direct obligations of the United States of America (including zero interest bearing State and Local Government Series) or other non-callable obligations the payment of the principal of and interest on which is guaranteed by a pledge of the full faith and credit of the United States of America (collectively, "Defeasance Securities"), the principal of and interest on which (together with any uninvested amount) will be sufficient to enable the Escrow Bank to pay, when due, the interest on the Refunded Bonds to August 1, 2024 (the "Redemption Date") and to redeem the Refunded Bonds on the Redemption Date at a redemption price equal to the principal amount of the Refunded Bonds called for redemption, together with interest accrued thereon from the last interest payment date for which interest has been paid on the Refunded Bonds to the Redemption Date, without premium. See "ESCROW VERIFICATION" herein. Amounts on deposit with the Escrow Bank pursuant to the Escrow Agreement are not available to pay debt service on the Refunding Bonds.

Application and Investment of Series 2021 Bond Proceeds

The proceeds of the Series 2021 Bonds are expected to be applied as follows:

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds, Election of 2016, Series 2021 and
General Obligation Refunding Bonds, Series 2021 (Federally Taxable)

Estimated Sources and Uses of Funds

Sources of Funds:	New Money Bonds	Refunding Bonds	Total
Aggregate Principal Amount	$94,680,000.00	$16,475,000.00	$111,155,000.00
Plus Net Original Issue Premium	11,193,104.00	–	11,193,104.00
Total Sources of Funds	$105,873,104.00	$16,475,000.00	$122,348,104.00
Uses of Funds:			
Escrow Fund	-	$16,252,592.99	$16,252,592.99
Deposit to Building Fund	$94,680,000.00	-	94,680,000.00
Deposit to Interest and Sinking Fund[(1)]	10,566,799.58	-	10,566,799.58
Costs of Issuance[(2)]	299,658.42	152,388.26	452,046.68
Underwriter's Discount[(3)]	326,646.00	70,018.75	396,664.75
Total Uses of Funds	$105,873,104.00	$16,475,000.00	$122,348,104.00

(1) Consists of premium received by the District.
(2) Includes legal fees, municipal advisor fees, rating agency fee, printing fees and other miscellaneous expenses. The Underwriter has contracted to pay such expenses for the New Money Bonds.
(3) Exclusive of costs of issuance the Underwriter has contracted to pay for the New Money Bonds.

Debt Service

Debt service on the Series 2021 Bonds, assuming no early redemptions, is as set forth in the following table.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds, Election of 2016, Series 2021(1)

	New Money Bonds		Refunding Bonds		
Year Ending August 1,	Principal	Interest	Principal	Interest	Total Debt Service
2021	$ 9,315,000	$ 1,251,799.58	$ 210,000.00	$ 124,337.93	$ 10,901,137.51
2022	1,100,000	3,212,925.00	335,000.00	319,257.80	4,967,182.80
2023	1,235,000	3,168,925.00	335,000.00	318,343.26	5,057,268.26
2024	1,485,000	3,119,525.00	335,000.00	317,261.20	5,256,786.20
2025	1,755,000	3,060,125.00	340,000.00	315,479.00	5,470,604.00
2026	1,960,000	2,989,925.00	340,000.00	312,344.20	5,602,269.20
2027	2,245,000	2,911,525.00	5,970,000.00	308,529.40	11,435,054.40
2028	2,570,000	2,821,725.00	2,150,000.00	223,397.20	7,765,122.20
2029	2,165,000	2,718,925.00	-	188,438.20	5,072,363.20
2030	2,355,000	2,632,325.00	-	188,438.20	5,175,763.20
2031	2,565,000	2,538,125.00	-	188,438.20	5,291,563.20
2032	2,795,000	2,435,525.00	-	188,438.20	5,418,963.20
2033	2,810,000	2,323,725.00	-	188,438.20	5,322,163.20
2034	3,055,000	2,211,325.00	-	188,438.20	5,454,763.20
2035	3,245,000	2,089,125.00	-	188,438.20	5,522,563.20
2036	2,965,000	1,959,325.00	-	188,438.20	5,112,763.20
2037	3,020,000	1,840,725.00	-	188,438.20	5,049,163.20
2038	3,085,000	1,719,925.00	-	188,438.20	4,993,363.20
2039	3,150,000	1,596,525.00	3,075,000.00	188,438.20	8,009,963.20
2040	5,015,000	1,470,525.00	3,385,000.00	98,740.46	9,969,265.46
2041	5,370,000	1,269,925.00	-	-	6,639,925.00
2042	5,730,000	1,055,125.00	-	-	6,785,125.00
2043	5,940,000	825,925.00	-	-	6,765,925.00
2044	6,305,000	588,325.00	-	-	6,893,325.00
2045	6,560,000	336,125.00	-	-	6,896,125.00
2046	6,885,000	172,125.00	–	–	7,057,125.00
Total:	$94,680,000	$52,320,124.58	$16,475,000.00	$4,410,510.65	$167,885,635.23

(1) The New Money Taxable Bonds mature on May 1, 2021, and interest on the New Money Taxable Bonds is due at maturity. The Tax-Exempt Bonds and the Refunding Bonds have principal maturing on August 1 in each of the years and in the amounts set forth on the inside front cover hereof. Interest on the Tax-Exempt Bonds and the Refunding Bonds is payable on February 1 and August 1 of each year, commencing on August 1, 2021.
Source: The Underwriter.

Outstanding Bonds

In addition to the New Money Bonds and the Refunding Bonds, the District has seven series of general obligation bonds outstanding, which are secured by ad valorem taxes upon all property subject to taxation by the District on a parity with the Series 2021 Bonds.

2002 Authorization. The District received authorization at an election held on November 5, 2002, to issue general obligation bonds of the District in an aggregate principal amount not to exceed $69,000,000 to finance specific construction and modernization projects (the "2002 Authorization"). On April 16, 2003, the Gilroy Unified School District General Obligation Bonds, Election of 2002, Series 2003 (the "Series 2003 Bonds"), in an aggregate principal amount of $50,000,000, were issued as the first series of bonds to be issued under the 2002 Authorization. On August 25, 2005, the Gilroy Unified School District General Obligation Bonds, Election of 2002, Series 2005 (the "Series 2005 Bonds"), in an aggregate principal amount of $19,000,000, were issued as the second and final series of bonds to be issued under the 2002 Authorization.

2008 Authorization. The District received authorization at an election held on November 4, 2008, under Measure P to issue general obligation bonds of the District in an aggregate principal amount not to exceed $150,000,000 to finance specific construction and modernization projects approved by the voters (the "2008 Authorization"). On March 12, 2009, the Gilroy Unified School District 2009 General Obligation Bonds (Election of 2008, Series A) (the "Series 2009 Bonds"), in an aggregate initial principal amount of $49,986,615, were issued as the first series of bonds to be issued under the 2008 Authorization. On April 15, 2010, the Gilroy Unified School District 2010 General Obligation Bond Anticipation Notes (Measure P) (the "Series 2010 Notes"), in an aggregate initial principal amount of $44,996,556.20, were issued in anticipation of an additional series of bonds to be issued under the 2008 Authorization. On June 23, 2011, the Gilroy Unified School District 2011 General Obligation Bond Anticipation Notes (Measure P) (Qualified School Construction Bonds – Federally Taxable) (the "Series 2011 Notes"), in an aggregate principal amount of $15,385,000, were issued to defease a portion of the Series 2010 Notes and to fund additional projects in anticipation of an additional series of bonds to be issued under the 2008 Authorization. The Series 2011 Notes matured on April 1, 2015. On March 13, 2013, the Gilroy Unified School District (County of Santa Clara, California) General Obligation Bonds, Election of 2008, Series 2013 (the "Series 2013 Bonds"), in an aggregate initial principal amount of $40,670,000, were issued as the second series of bonds to be issued under the 2008 Authorization. The Series 2013 Bonds were issued to provide the funds necessary to pay the Series 2010 Notes that were not defeased by the Series 2011 Notes. The Series 2010 Notes matured on April 1, 2013. On February 29, 2015, the Series 2015 New Money Bonds, in an aggregate principal amount of $30,385,000, were issued as the third series of bonds to be issued under the 2008 Authorization. The Series 2015 Bonds were issued to provide the funds necessary to pay the outstanding 2011 Notes and finance specific construction, repair and improvement projects approved by the voters of the District. On May 14, 2019, the Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2008 and 2016, Series 2019 (the "Series 2019 Bonds"), were issued in the aggregate principal amount of $44,275,000, of which $28,955,000 aggregate amount of bonds was issued under the 2008 Authorization (the "Series 2019 Measure P Bonds"). The Series 2019 Measure P Bonds were the fourth and final series of bonds to be issued under the 2008 Authorization.

2016 Authorization. In addition, as indicated above, at an election held on June 7, 2016, voters of the District approved the 2016 Authorization, authorizing the issuance of general obligation bonds of the District in an aggregate principal amount not to exceed $170,000,000 to finance specified projects. On January 19, 2017, the Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2017 (the "Series 2017 Bonds"), in the aggregate principal amount of $60,000,000, were issued as the first series of bonds to be issued under the 2016 Authorization. On May 14, 2019, the Series 2019 Bonds were issued, of which $15,320,000 aggregate amount of bonds were issued under the 2016 Authorization (the "Series 2019 Measure E Bonds"). The Series 2019 Measure E Bonds represent the second series of bonds to be issued under the 2016 Authorization. Following the issuance of the New Money Bonds, the District will have issued the total aggregate principal amount authorized under the 2016 Authorization.

Refunding Bonds. On March 13, 2013, the Gilroy Unified School District (County of Santa Clara, California) General Obligation Refunding Bonds, Series 2013 (the "Series 2013 Refunding Bonds"), in an aggregate principal amount of $70,000,000, were issued by the District to refund on an advance basis a portion of the Series 2003 Bonds, a portion of the Series 2005 Bonds, and a portion of the Series 2009 Bonds to their maturity date.

The Gilroy School Facilities Financing Authority also issued its General Obligation Revenue Bonds, Series A (the "Series A Authority Bonds") on March 13, 2013, for the purpose of purchasing the District's Series 2013 Bonds and Series 2013 Refunding Bonds.

On February 29, 2015, the Series 2015 Refunding Bonds, in the aggregate principal amount of $35,300,000, were issued by the District to advance refund a portion of the outstanding Series 2009 Bonds.

On October 31, 2019, the Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2019 (Federally Taxable) (the "Series 2019 Refunding Bonds"), in the aggregate principal amount of $124,165,000, were issued by the District to refund all of the District's outstanding Series 2013 Bonds and Series 2013 Refunding Bonds and the corresponding Series A Authority Bonds.

As further described herein, the Refunding Bonds are issued to refund a portion of the outstanding Series 2015 New Money Bonds and a portion of the outstanding Series 2015 Refunding Bonds. For more information, see " – Plan of Refunding."

A summary of the District's general obligation bonded debt is set forth on the following page.

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Aggregate Debt Service

The following table sets forth the annual aggregate debt service requirements of all outstanding general obligation bonds of the District, including the Series 2021 Bonds, assuming no early optional redemption.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Obligation Bonds – Aggregate Debt Service

Year Ending August 1,	Series 2009 Bonds	Series 2015 Bonds[(1)]	Series 2015 Refunding Bonds[(2)]	Series 2017 Bonds	Series 2019 Bonds	Series 2019 Refunding Bonds	New Money Bonds[(3)]	Refunding Bonds	Aggregate Total Debt Service
2021	-	$ 428,478.13	$ 3,680,200.00	$ 2,078,175.00	$ 5,852,250.00	$ 5,656,830.56	$ 10,566,799.58	$ 334,337.93	$ 28,597,071.20
2022	-	856,956.26	4,272,400.00	2,078,175.00	1,525,250.00	5,550,422.30	4,312,925.00	654,257.80	19,250,386.36
2023	-	856,956.26	4,469,800.00	2,078,175.00	1,499,450.00	5,270,217.30	4,403,925.00	653,343.26	19,231,866.82
2024	-	856,956.26	4,673,800.00	2,078,175.00	1,524,450.00	5,343,322.30	4,604,525.00	652,261.20	19,733,489.76
2025	-	856,956.26	4,808,600.00	2,078,175.00	1,548,250.00	4,883,994.30	4,815,125.00	655,479.00	19,646,579.56
2026	-	856,956.26	5,236,400.00	2,078,175.00	1,555,850.00	4,635,067.80	4,949,925.00	652,344.20	19,964,718.26
2027	-	856,956.26	-	2,078,175.00	1,497,850.00	4,913,011.50	5,156,525.00	6,278,529.40	20,781,047.16
2028		856,956.26	-	2,078,175.00	1,490,350.00	4,618,953.20	5,391,725.00	2,373,397.20	16,809,556.66
2029	$ 5,400,000.00	856,956.26	-	2,818,175.00	1,537,850.00	4,456,080.00	4,883,925.00	188,438.20	20,141,424.46
2030	6,200,000.00	856,956.26	-	2,941,175.00	1,567,600.00	4,451,474.40	4,987,325.00	188,438.20	21,192,968.86
2031	3,100,000.00	856,956.26	-	3,066,175.00	1,517,800.00	4,454,381.20	5,103,125.00	188,438.20	18,286,875.66
2032	3,400,000.00	856,956.26	-	3,197,675.00	1,624,600.00	4,455,762.00	5,230,525.00	188,438.20	18,953,956.46
2033	-	2,216,956.26	-	3,334,925.00	1,911,800.00	6,675,566.80	5,133,725.00	188,438.20	19,461,411.26
2034	-	2,361,156.26	-	3,476,725.00	1,902,000.00	6,961,295.80	5,266,325.00	188,438.20	20,155,940.26
2035	-	2,394,806.26	-	3,688,800.00	1,896,600.00	7,359,634.80	5,334,125.00	188,438.20	20,862,404.26
2036	-	2,501,056.26	-	3,986,800.00	2,285,400.00	7,715,271.30	4,924,325.00	188,438.20	21,601,290.76
2037	-	2,602,656.26	-	4,144,800.00	2,482,600.00	8,085,319.90	4,860,725.00	188,438.20	22,364,539.36
2038	-	3,397,187.50	-	4,312,800.00	2,700,200.00	7,813,816.40	4,804,925.00	188,438.20	23,217,367.10
2039	-	520,000.00	-	4,485,000.00	2,887,000.00	8,215,848.30	4,746,525.00	3,263,438.20	24,117,811.50
2040	-	520,000.00	-	4,665,800.00	1,288,800.00	8,529,881.80	6,485,525.00	3,483,740.46	24,973,747.26
2041	-	4,400,000.00	-	4,849,400.00	1,266,600.00	8,769,219.20	6,639,925.00	-	25,925,144.20
2042	-	4,429,800.00	-	5,045,200.00	1,239,800.00	9,323,755.00	6,785,125.00	-	26,823,680.00
2043	-	2,672,200.00	-	5,247,200.00	1,223,600.00	11,552,388.00	6,765,925.00	-	27,461,313.00
2044	-	2,688,400.00	-	5,454,600.00	1,192,600.00	12,172,930.20	6,893,325.00	-	28,401,855.20
2045	-	-	-	5,676,600.00	3,852,400.00	12,831,682.60	6,896,125.00	-	29,256,807.60
2046	-	-	-	5,902,000.00	3,810,400.00	13,601,290.40	7,057,125.00	-	30,370,815.40
2047	-	-	-	-	5,310,400.00	12,501,875.80	-	-	17,812,275.80
2048	–	–	–	–	13,145,600.00	–	–	–	13,145,600.00
Total:	$18,100,000.00	$40,559,215.79	$27,141,200.00	$92,919,250.00	$71,137,350.00	$200,799,293.16	$147,000,124.58	$20,885,510.65	$618,541,944.18

(1) Reflects the planned refunding of the Refunded 2015 New Money Bonds with proceeds of the Refunding Bonds.
(2) Reflects the planned refunding of the Refunded 2015 Refunding Bonds with proceeds of the Refunding Bonds.
(3) The New Money Taxable Bonds mature on May 1, 2021. The Tax-Exempt Bonds and the Refunding Bonds have principal maturing on August 1 in each of the years and in the amounts set forth on the inside front cover hereof.
Source: Raymond James & Associates, Inc.

SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS

General

In order to provide sufficient funds for repayment of principal and interest when due on the Series 2021 Bonds, the Board of Supervisors of the County is empowered and is obligated to levy ad valorem taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District. When collected, the tax revenues will be deposited by the County in the Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

The Series 2021 Bonds are payable from ad valorem taxes to be levied within the District pursuant to the California Constitution and other State law, and are not a debt or obligation of the County. No fund of the County is pledged or obligated to repayment of the Series 2021 Bonds.

Statutory Lien on Taxes (Senate Bill 222)

Pursuant to Section 53515 of the California Government Code (which became effective on January 1, 2016), all general obligation bonds issued by local agencies, including refunding bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. Section 53515 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Section 53515 further provides that the revenues received pursuant to the levy and collection of the tax will be immediately subject to the lien, and the lien will immediately attach to the revenues and be effective, binding and enforceable against the local agency, its successor, transferees and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

This statutory lien, by its terms, secures not only the Series 2021 Bonds, but also any other bonds of the District payable, as to both principal and interest, from the proceeds of ad valorem property taxes that may be levied pursuant to paragraphs (2) and (3) of subdivision (b) of Section 1 of Article XIII A of the California Constitution. The statutory lien provision does not specify the relative priority of obligations so secured or a method of allocation in the event that the revenues received pursuant to the levy and collection of the tax are insufficient to pay all amounts then due and owing that are secured by the statutory lien.

Pledge of Tax Revenues

The District has pledged all revenues from the property taxes collected from the levy by the Board of Supervisors of the County for the payment of all bonds, including the Series 2021 Bonds (collectively, the "Bonds"), of the District heretofore or hereafter issued pursuant to voter approved measures of the District and amounts on deposit in the Interest and Sinking Fund to the payment of the principal or redemption price of and interest on the Bonds. The Resolutions provide that the property taxes and amounts held in the Interest and Sinking Fund shall be immediately subject to this pledge, and the pledge shall constitute a lien and security interest which shall immediately attach to the property taxes and amounts held in the Interest and Sinking Fund to secure the payment of the Bonds and shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The Resolutions provide that this pledge constitutes an agreement between the District and the owners of the Bonds to provide security for the Bonds in addition to any statutory lien that may exist, and the Bonds secured by the pledge are or were issued to finance (or refinance) one or more of the projects specified in the applicable voter-approved measure.

Property Taxation System

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

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

Assessed Valuation of Property Within the District

General. Taxable property located in the District has a fiscal year 2020-21 assessed value of $11,984,136,824. All property (real, personal and intangible) is taxable unless an exemption is granted by the California Constitution or United States law. Under the State Constitution, exempt classes of property include household and personal effects, intangible personal property (such as bank accounts, stocks and bonds), business inventories, and property used for religious, hospital, scientific and charitable purposes. The State Legislature may create additional exemptions for personal property, but not for real property. Most taxable property is assessed by the assessor of the county in which the property is located. Some special classes of property are assessed by the State Board of Equalization, as described below.

Taxes are levied for each fiscal year on taxable real and personal property assessed as of the preceding January 1, at which time the lien attaches. The assessed value is required to be adjusted during the course of the year when property changes ownership or new construction is completed. State law also affords an appeal procedure to taxpayers who disagree with the assessed value of any property. When necessitated by changes in assessed value during the course of a year, a supplemental assessment is prepared so that taxes can be levied on the new assessed value before the next regular assessment roll is completed. See " *–Appeals of Assessed Valuation; Bl*anket Reductions of Assessed Values" below.

Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in California, affects how those assets are assessed, and which local agencies benefit from the property taxes derived. In general, the transfer of State-assessed property located in the District to non-utility companies will increase the assessed value of property in the District, since the property's value will no longer be divided among all taxing jurisdictions in the County. The transfer of property located and taxed in the District to a State-assessed utility will have the opposite effect: generally reducing the assessed value in the District, as the value is shared among the other jurisdictions in the County. The District is unable to predict future transfers of State-assessed property in the District and the County, the impact of such transfers on its utility property tax revenues, or whether future legislation or litigation may affect ownership of utility assets, the State's methods of assessing utility property, or the method by which tax revenues of utility property is allocated to local taxing agencies, including the District.

Locally taxed property is classified either as "secured" or "unsecured," and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

The following table sets forth the assessed valuation of the various classes of property in the District's boundaries from fiscal years 2005-06 through 2020-21, each as of the date the equalized assessment roll is established in August of each year.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Assessed Valuations
Fiscal Years 2005-06 through 2020-21

Fiscal Year	Local Secured	Utility	Unsecured	Total
2005-06	$ 6,188,386,506	$107,173,790	$266,535,482	$ 6,562,095,778
2006-07	6,884,295,668	102,680,381	247,802,970	7,234,779,019
2007-08	7,574,634,011	95,186,126	270,802,768	7,940,622,905
2008-09	7,985,684,560	94,891,614	310,868,472	8,391,444,646
2009-10	7,359,223,089	82,191,614	300,724,886	7,742,139,589
2010-11	6,952,983,187	80,991,614	262,559,893	7,296,534,694
2011-12	6,894,019,920	78,786,252	315,689,869	7,288,496,041
2012-13	6,913,331,868	72,186,252	305,270,340	7,290,788,460
2013-14	7,405,387,641	64,286,252	297,590,804	7,767,264,697
2014-15	7,968,842,255	52,575,894	303,865,605	8,325,283,754
2015-16	8,440,277,810	47,075,894	301,238,448	8,788,592,152
2016-17	9,109,662,212	42,175,894	314,078,918	9,465,917,024
2017-18	9,666,979,532	39,375,894	304,456,971	10,010,812,397
2018-19	10,332,177,849	38,983,256	318,576,605	10,689,737,710
2019-20	10,982,111,412	32,583,256	327,195,842	11,341,890,510
2020-21	11,617,739,339	29,783,256	336,614,229	11,984,136,824

Source: California Municipal Statistics, Inc.

Risk of Decline in Property Values. Assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in property values, including potential market declines caused by the effects of a reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, drought, flood, landslide, liquefaction, levee failure, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year. See also "—Appeals of Assessed Valuation; Blanket Reductions of Assessed Values" below.

Risk of Changing Economic Conditions. Property values could be reduced by factors beyond the District's control, including an earthquake, or a depressed real estate market due to general economic conditions in the County, the region, and the State. With the outbreak of COVID-19, the world is currently experiencing a global pandemic. The pandemic may result in an economic recession or depression that causes a general market decline in property values therefore affecting the assessed value of the property in the District. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak."

Risk of Earthquake. The District is located in a seismically active region. The notable earthquake faults include the San Andreas and Hayward faults. Property values could be reduced by the complete or partial destruction of taxable property as a result of an earthquake.

Risk of Drought. In recent years California has experienced severe drought conditions. In January 2014, the Governor declared a state-wide Drought State of Emergency due to the State facing serious water shortfalls due to the driest year in recorded history in the State and the resultant record low levels measured in State rivers and reservoirs. The California State Water Resources Control Board (the "State Water Board") subsequently issued a Statewide notice of water shortages and potential future curtailment of water right diversions. In April 2017, the Governor of the State lifted the drought emergency declaration, while retaining a prohibition on wasteful practices and advancing conservation measures. It is not possible for the District to make any representation regarding the extent to which drought conditions could cause reduced economic activity within the boundaries of the District or the extent to which the drought has had or may have in the future on the value of taxable property within the District.

Risk of Wildfire. Property damage due to wildfire could result in a significant decrease in the assessed value of property in the District. In recent years, portions of California, including the County and adjacent counties, have experienced wildfires that have burned thousands of acres and destroyed thousands of homes and structures. Notable incidents that have impacted the County and adjacent counties in recent years include the Summit Complex Fire, the Waverly Fire, the CZU Lightning Complex Fire, the SCU Lightning Complex Fire and the River Fire. The Summit Complex Fire, which started in July 2017, burned approximately 5,247 acres through the adjacent county of Stanislaus according to the California Department of Forestry and Fire Protection ("Cal Fire"). The Waverly Fire, which started in June 2018, burned approximately 12,300 acres through the adjacent county of San Joaquin and destroyed 1 structure according to Cal Fire. The CZU Lightning Complex Fire, which started in August 2020, burned approximately 86,509 acres through the adjacent counties of San Mateo and Santa Cruz, damaged 140 structures, destroyed 1,490 structures, caused 1 injury and caused 1 fatality according to Cal Fire. As of November 2020, the CZU Lightning Complex Fire is the twelfth most destructive wildfire in the recorded history of California according to Cal Fire. The SCU Lightning Complex Fire, which started in August 2020, burned approximately 396,624 acres of land in the County and the adjacent counties of Alameda, Contra Costa, Merced, San Joaquin and Stanislaus, damaged 26 structures, destroyed 222 structures and caused 6 injuries according to Cal Fire. As of November 2020, the SCU Lightning Complex Fire is the third largest wildfire in the recorded history of California according to Cal Fire. The River Fire, which started in August 2020, burned approximately 48,088 acres through the adjacent county of Monterey, damaged 13 structures, destroyed 30 structures and caused 4 injuries according to Cal Fire. Within the boundaries of the District, no property was damaged or destroyed by the Summit Complex Fire, the Waverly Fire, the CZU Lightning Complex Fire, the SCU Lightning Complex Fire, the River Fire or other recent wildfires. Further, no District facilities were damaged or destroyed by the Summit Complex Fire, the Waverly Fire, the CZU Lightning Complex Fire, the SCU Lightning Complex Fire, the River Fire or other recent wildfires. It is not possible for the District to make any representation regarding the extent to which wildfires could cause reduced economic activity within the boundaries of the District or the extent to which wildfires may impact the value of taxable property within the District.

Appeals of Assessed Valuation; Blanket Reductions of Assessed Values. There are two basic types of property tax assessment appeals provided for under State law. The first type of appeal, commonly referred to as a base year assessment appeal, involves a dispute on the valuation assigned by the assessor immediately subsequent to an instance of a change in ownership or completion of new construction. If the base year value assigned by the assessor is reduced, the valuation of the property cannot increase in subsequent years more than 2% annually unless and until another change in ownership and/or additional new construction or reconstruction activity occurs. Any base year appeal must be made within four years of the change of ownership or new construction date.

The second type of appeal, commonly referred to as a Proposition 8 appeal (which Proposition 8 was approved by the voters in 1978), can result if factors occur causing a decline in the market value of the property to a level below the property's then current taxable value (escalated base year value). Pursuant to State law, a property owner may apply for a Proposition 8 reduction of the property tax assessment for such owner's property by filing a written application with the appropriate county board of equalization or assessment appeals board. A property owner desiring a Proposition 8 reduction of the assessed value of such owner's property in any one year must submit an application to the county assessment appeals board (the "Appeals Board"). Following a review of the application by the county assessor's office, the county assessor may offer to the property owner the opportunity to stipulate to a reduced assessment, or may confirm the assessment. If no stipulation is agreed to, and the applicant elects to pursue the appeal, the matter is brought before the Appeals Board (or, in some cases, a hearing examiner) for a hearing and decision. The Appeals Board generally is required to determine the outcome of appeals within two years of each appeal's filing date. Any reduction in the assessment ultimately granted applies only to the year for which application is made and during which the written application is filed. The assessed value increases to its pre-reduction level (such pre-reduction level escalated by the annual inflation rate of no more than 2%) following the year for which the reduction application is filed. However, the county assessor has the power to grant a reduction not only for the year for which application was originally made, but also for the then current year and any intervening years as well. In practice, such a reduced assessment may and often does remain in effect beyond the year in which it is granted.

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis. According to representatives of the County assessor's office, the County has in the past, pursuant to Article XIIIA of the State Constitution, ordered blanket reductions of assessed property values and corresponding property tax bills on single family residential properties when the value of the property has declined below the current assessed value as calculated by the County.

No assurance can be given that property tax appeals and/or blanket reductions of assessed property values will not significantly reduce the assessed valuation of property within the District in the future.

See APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Limitations on Revenues" for a discussion of other limitations on the valuation of real property with respect to ad valorem taxes.

Bonding Capacity. As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. However, pursuant to Section 33050 et seq. of the Education Code, the governing board of a school district or a county board of education, on a districtwide or countywide basis or on behalf of one or more of its schools or programs, after a public hearing on the matter, may request the State Board of Education to waive all or part of any section of the Education Code or any regulation adopted by the State Board of Education that implements a provision of the Education Code that may be waived, except for certain specified provisions of the Education Code set forth in Education Code Section 33050(a). In the bond measure approving the 2016 Authorization, it was recognized that the issuance of all of the authorized bonds might require the outstanding debt of the District to exceed its statutory bonding limit and, in order for the District to complete critical projects authorized by the 2016 Authorization in a timely and cost effective manner, the District Board obtained a waiver of its bonding limit from the State Board of Education, permitting the District to issue bonds under the 2016 Authorization in an amount up to 3.09% of the assessed valuation of taxable property of the District. With the effect of the waiver, the District's fiscal year 2020-21 gross bonding capacity (also commonly referred to as the "bonding limit" or "debt limit") is approximately $370.31 million and its net bonding capacity is approximately $274.70 million (taking into account current outstanding debt before the issuance of the Series 2021 Bonds and not accounting for the refunding of the Refunded Bonds). Refunding bonds may be issued without regard to this limitation; however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

Assessed Valuation by Jurisdiction. The following table describes the percentage and value of the total assessed valuation of the property within the District's boundaries that reside in the City of Gilroy and unincorporated portions of the County for fiscal year 2020-21.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Fiscal Year 2020-21 Assessed Valuation by Jurisdiction

Jurisdiction	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Gilroy	$ 9,854,955,121	82.23%	$ 9,854,955,121	100.00%
Unincorporated Santa Clara County	2,129,181,703	17.77	19,532,366,971	10.90
Total District	$11,984,136,824	100.00%		
Santa Clara County	$11,984,136,824	100.00%	$550,950,021,908	2.18%

Source: California Municipal Statistics Inc.

Assessed Valuation by Land Use. The following table sets forth a distribution of taxable property located in the District on the fiscal year 2020-21 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Fiscal Year 2020-21 Assessed Valuation and Parcels by Land Use

	2020-21 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Non-Residential:				
Agricultural	$ 785,768,317	6.76%	1,779	9.45%
Commercial/Office	1,125,497,139	9.69	558	2.96
Industrial	702,258,372	6.04	269	1.43
Recreational	17,873,547	0.15	44	0.23
Government/Social/Institutional	64,576,496	0.56	342	1.82
Miscellaneous	33,621,031	0.29	72	0.38
Subtotal Non-Residential	$ 2,729,594,902	23.50%	3,064	16.27%
Residential:				
Single Family Residence	$ 7,942,569,832	68.37%	13,511	71.74%
Condominium/Townhouse	196,056,901	1.69	743	3.95
Mobile Home	12,445,172	0.11	183	0.97
2-4 Residential Units	193,151,085	1.66	393	2.09
5+ Residential Units/Apartments	330,520,695	2.84	210	1.12
Miscellaneous Residential	2,128,654	0.02	8	0.04
Subtotal Residential	$ 8,676,872,339	74.69%	15,048	79.90%
Vacant/Undeveloped	$ 211,272,098	1.82%	721	3.83%
Total	$11,617,739,339	100.00%	18,833	100.00%

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

Assessed Valuation of Single-Family Homes. The following table sets forth the assessed valuation of single-family homes in the District's boundaries for fiscal year 2020-21, including the average and median per parcel assessed value.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Fiscal Year 2020-21 Per Parcel Assessed Valuation of Single Family Homes

	No. of Parcels	2020-21 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	13,511	$7,942,569,832	$587,860	$583,298

2020-21 Assessed Valuation	No. of Parcels[(1)]	Percent of Total	Cumulative Percent of Total	Total Valuation	Percent of Total	Cumulative Percent of Total
$0 - $99,999	743	5.499%	5.499%	$ 47,625,367	0.600%	0.600%
$100,000 - $199,999	837	6.195	11.694	125,969,687	1.586	2.186
$200,000 - $299,999	1,174	8.689	20.383	299,744,465	3.774	5.960
$300,000 - $399,999	1,443	10.680	31.064	506,526,613	6.377	12.337
$400,000 - $499,999	1,341	9.925	40.989	605,520,635	7.624	19.961
$500,000 - $599,999	1,494	11.058	52.046	824,788,527	10.384	30.345
$600,000 - $699,999	1,771	13.108	65.154	1,155,050,909	14.543	44.888
$700,000 - $799,999	1,768	13.086	78.240	1,318,717,520	16.603	61.491
$800,000 - $899,999	1,154	8.541	86.781	973,753,786	12.260	73.751
$900,000 - $999,999	615	4.552	91.333	581,075,465	7.316	81.067
$1,000,000 - $1,099,999	351	2.598	93.931	366,863,979	4.619	85.686
$1,100,000 - $1,199,999	262	1.939	95.870	300,653,671	3.785	89.471
$1,200,000 - $1,299,999	192	1.421	97.291	238,248,205	3.000	92.471
$1,300,000 - $1,399,999	122	0.903	98.194	164,747,019	2.074	94.545
$1,400,000 - $1,499,999	68	0.503	98.697	97,906,732	1.233	95.777
$1,500,000 - $1,599,999	38	0.281	98.979	58,526,589	0.737	96.514
$1,600,000 - $1,699,999	32	0.237	99.215	52,710,961	0.664	97.178
$1,700,000 - $1,799,999	28	0.207	99.423	48,964,869	0.616	97.794
$1,800,000 - $1,899,999	16	0.118	99.541	29,640,332	0.373	98.168
$1,900,000 - $1,999,999	14	0.104	99.645	27,120,982	0.341	98.509
$2,000,000 and greater	48	0.355	100.000	118,413,519	1.491	100.000
Total	13,511	100.000%		$7,942,569,832	100.000%	

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

Largest Taxpayers in District. The following table sets forth the 20 taxpayers with the greatest combined ownership of taxable property in the District on the fiscal year 2020-21 tax roll, and the assessed valuation of all property owned by those taxpayers in all taxing jurisdictions within the District, are set forth below.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Largest Fiscal Year 2020-21 Local Secured Taxpayers

	Property Owner	Primary Land Use	2020-21 Assessed Valuation	Percent of Total[1]
1.	Simon Property Group	Outlet Stores	$221,085,523	1.90%
2.	Olam West Coast Inc.	Food Processing	148,017,065	1.27
3.	Excel Gilroy LLC	Commercial	79,339,671	0.68
4.	United Natural Foods West Inc.	Food Processing	59,995,195	0.52
5.	Mabury Vineyards LLC	Apartments	56,736,066	0.49
6.	Performance Food Group Inc.	Food Processing	43,571,698	0.38
7.	Christopher Ranch LLC	Agricultural	43,542,361	0.37
8.	Wal Mart Real Estate Business Trust	Commercial	35,881,137	0.31
9.	7610 Isabella Way LLC	Residential Care Facilities	31,549,414	0.27
10.	E P & G South Valley Plaza LLC	Commercial	28,090,800	0.24
11.	CalAtlantic Group Inc.	Residential Development	26,360,073	0.23
12.	Calpine Gilroy Cogen LP	Industrial	26,333,230	0.23
13.	Central Valley Coalition	Apartments	25,819,152	0.22
14.	Towman Cadena LLC	Apartments	25,761,193	0.22
15.	Costco Wholesale Corporation	Commercial	24,407,273	0.21
16.	Anthony Caniamilla, Trustee	Commercial	22,000,000	0.19
17.	Zanker Road Resource Management Ltd.	Disposal Site and Recycling	21,938,729	0.19
18.	Tri Pointe Homes Inc.	Residential Development	20,852,880	0.18
19.	Laurence F. Jorstad, Trustee	Residential Properties	20,317,146	0.17
20.	Pacheco Pass Retail XII LLC	Commercial	18,889,499	0.16
			$980,488,105	8.44%

(1) Fiscal year 2020-21 local secured assessed valuation: $11,617,739,339.
Source: California Municipal Statistics, Inc.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness, if any, in such taxpayer's financial situation and ability or willingness to pay property taxes in a timely manner. Furthermore, assessments may be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control. See "*–Appeals of Assessed Valuation; Blanket Reductions of Assessed Values*" above.

Tax Rates

The State Constitution permits the levy of an ad valorem tax on taxable property not to exceed 1% of the full cash value of the property, and State law requires the full 1% tax to be levied. The levy of special ad valorem property taxes in excess of the 1% levy is permitted as necessary to provide for debt service payments on school bonds and other voter-approved indebtedness.

The rate of tax necessary to pay fixed debt service on the Series 2021 Bonds in a given year depends on the assessed value of taxable property in that year. (The rate of tax imposed on unsecured property for repayment of the Series 2021 Bonds is based on the prior year's secured property tax rate.) Economic and other factors beyond the District's control, such as a general market decline in property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), pandemic, or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought, fire, toxic dumping, etc., could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Series 2021 Bonds. Issuance of additional authorized bonds in the future might also cause the tax rate to increase.

Typical Tax Rate Area. The following table sets forth ad valorem property tax rates for the last five fiscal years in a typical tax rate area of the District (TRA 2-001). The assessed valuation for this tax rate area for fiscal year 2020-21 is $7,943,237,045, which comprises approximately 66.28% of the total assessed value of taxable property in the District.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Typical Total Tax Rates per $100 of Assessed Valuation (TRA 2-001)
Fiscal Years 2016-17 through 2020-21

	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20	Fiscal Year 2020-21
General	$1.00000	$1.00000	$1.00000	$1.00000	$1.00000
County Retirement Levy	0.03880	0.03880	0.03880	0.03880	0.03880
County Library Retirement	0.00240	0.00240	0.00240	0.00240	0.00240
County Hospital and Housing Bonds	0.00860	0.02086	0.01770	0.01690	0.00690
City of Gilroy Bonds	0.02720	0.02600	0.02500	0.02000	0.01900
Gavilan Joint Community College District Bond	0.02160	0.02000	0.01920	0.04310	0.04160
Gilroy Unified School District Bonds	0.16140	0.15280	0.10840	0.15220	0.15190
Total Tax Rate	$1.26000	$1.26086	$1.21150	1.27340	1.26060
Santa Clara Valley Water District State Water Project	$0.00860	$0.00620	$0.00420	$0.00410	$0.00370
Total Land and Improvement	$0.00860	$0.00620	$0.00420	$0.00410	$0.00370

Source: California Municipal Statistics, Inc.

In accordance with the California Constitution and the Education Code, bonds approved pursuant to the 2016 Authorization may not be issued unless the District projects that repayment of all outstanding bonds approved under the 2016 Authorization will require a tax rate no greater than $60.00 per $100,000 of assessed value. Based on the assessed value of taxable property in the District at the time of issuance of the New Money Bonds, the District projects that the maximum tax rate required to repay the New Money Bonds, and all other outstanding bonds approved under the 2016 Authorization, will be within that legal limit. The tax rate limitation applies only when new bonds are issued and does not restrict the authority of the Board of Supervisors of the County to levy taxes at such rate as may be necessary to pay debt service on the New Money Bonds and any other series of bonds issued under the 2016 Authorization in each year.

Tax Charges and Delinquencies

General. A school district's share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complicated statutory process enacted since that time. Revenues derived from special ad valorem taxes for voter-approved indebtedness, including the New Money Bonds, are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer-tax collector prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a 10% penalty attaches and a $10 cost is added to unpaid second installments. If taxes remain unpaid by June 30, the tax is deemed to be in default, and a $15 state redemption fee applies. Interest then begins to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer-tax collector. The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

Property taxes on the unsecured roll are due in one payment on the lien date, January 1, and become delinquent after August 31. A 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer-tax collector may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer-tax collector may also bring a civil suit against the taxpayer for payment.

In light of the financial hardship that many taxpayers are experiencing due to COVID-19 and the related recession, the Governor issued Executive Order N-61-20, which suspends, until May 6, 2021, the statutory requirements for the imposition of penalties, costs, and interest for the failure to pay property taxes on the secured or unsecured roll, or to pay a supplemental bill provided certain conditions are met. One such condition is that the taxpayer timely files a claim for relief in a form and manner prescribed by the county treasurer-tax collector. While the District cannot predict the extent of delinquencies and delayed tax collections or the resulting impact on the District's financial condition or operations, the County has adopted the Teeter Plan (defined herein) according to which the County distributes to the District the amount levied on the secured and supplemental tax rolls, instead of the amount actually collected. See "– Teeter Plan" below. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak."

Property tax delinquencies may be impacted by economic and other factors beyond the District'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 can 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 a pandemic or a natural or manmade disaster, such as earthquake, drought, flood, fire, toxic dumping. It is not possible for the District to make any representation regarding the extent to which an economic recession or depression could impact the ability or willingness of property owners within the District to pay property taxes in the future. For more information on the impact of the COVID-19 pandemic, see APPENDIX A – "INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET – DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak." If delinquencies increase substantially as a result of the unprecedented events of the COVID-19 pandemic or other events outside the control of the District, the County does have the authority to increase allowances for annual reserves in the tax levy to avoid fluctuating tax levies.

The real property tax charges and corresponding delinquencies for the general obligation bond debt service levy with respect to the property located in the District for fiscal years 2015-16 through 2019-20 are set forth below. The County does not provide the secured tax charges and corresponding delinquencies for the 1% general fund levy, with respect to property located in the District. See "– Teeter Plan" below.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Secured Tax Charges and Delinquencies
Fiscal Years 2015-16 through 2019-20

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent June 30	Percentage Delinquent June 30
2015-16	$ 9,018,353.09	$ 90,751.80	1.01%
2016-17	14,559,197.15	135,673.72	0.93
2017-18	14,716,278.34	113,342.92	0.77
2018-19	11,165,478.97	107,293.06	0.96
2019-20	16,621,759.49	202,302.96	1.22

(1) General obligation bond debt service levy.
Source: California Municipal Statistics, Inc.

Teeter Plan

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 and following of the California Revenue and Taxation Code. Under the Teeter Plan, each participating local agency levying property taxes in the County, including school districts, receives the amount of uncollected taxes levied on the secured tax roll credited to its fund, in the same manner as if the amount due from taxpayers had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The County applies the Teeter Plan to taxes levied for repayment of school district general obligation bonds.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The Board of Supervisors may also, after holding a public hearing on the matter, discontinue the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll in that agency. The District is not aware of any plans by the Board of Supervisors of the County to discontinue the Teeter Plan.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. effective December 15, 2020 for debt outstanding as of January 1, 2021. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column two sets forth 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 set forth in the table) produces the amount set forth in column three, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

The schedule 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.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Statement of Direct and Overlapping Bonded Debt

December 15, 2020

2020-21 Assessed Valuation: $11,984,136,824

	% Applicable	Debt 1/1/21
DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:		
Santa Clara County	2.175%	$ 17,675,899
Gavilan Joint Community College District	31.785	69,736,290
Gilroy Unified School District	100.000	274,702,495[1]
City of Gilroy	100.000	27,087,578
City of Gilroy Community Facilities District No. 2000-1	100.000	6,560,907
Santa Clara Valley Water District Benefit Assessment District	2.175	1,424,516
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$397,187,685
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Santa Clara County General Fund Obligations	2.175%	$ 20,680,011
Santa Clara County Pension Obligation Bonds	2.175	7,425,432
Santa Clara County Board of Education Certificates of Participation	2.175	75,690
Gavilan Joint Community College District General Obligation Bonds	31.785	2,201,111
Gilroy Unified School District Certificates of Participation	100.000	24,245,000
City of Gilroy Certificates of Participation	100.000	30,160,000
Santa Clara County Vector Control District Certificates of Participation	2.175	43,718
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 84,830,962
Less: Santa Clara County supported obligations		694,507
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$ 84,136,455
GROSS COMBINED TOTAL DEBT		$482,018,647[2]
NET COMBINED TOTAL DEBT		$481,324,140

(1) Excludes the Series 2021 Bonds. Does not reflect the refunding of the Refunded Bonds with proceeds of the Refunding Bonds.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2020-21 Assessed Valuation:

Direct Debt ($274,702,495)	2.29%
Combined Direct Debt ($298,947,495)	2.49%
Total Direct and Overlapping Tax and Assessment Debt	3.31%
Gross Combined Total Debt	4.02%
Net Combined Total Debt	4.02%

Source: California Municipal Statistics, Inc.

TAX MATTERS

Tax-Exempt Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Tax-Exempt Bonds is less than the amount to be paid at maturity of such Tax-Exempt Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Tax-Exempt Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Tax-Exempt Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Tax-Exempt Bonds is the first price at which a substantial amount of such maturity of the Tax-Exempt Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Tax-Exempt Bonds accrues daily over the term to maturity of such Tax-Exempt Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Tax-Exempt Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Tax-Exempt Bonds. Beneficial Owners of the Tax-Exempt Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Tax-Exempt Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Tax-Exempt Bonds in the original offering to the public at the first price at which a substantial amount of such Tax-Exempt Bonds is sold to the public.

Tax-Exempt Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of obligations, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Tax-Exempt Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Tax-Exempt Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Tax-Exempt Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Tax-Exempt Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel's attention after the date of issuance of the Tax-Exempt Bonds may adversely affect the value of, or the tax status of interest on, the Tax-Exempt Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Tax-Exempt Bonds may otherwise affect a Beneficial Owner's federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Tax-Exempt Bonds to be subject, directly or indirectly, in whole or in part, 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 or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Tax-Exempt Bonds. Prospective purchasers of the Tax-Exempt Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Tax-Exempt Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Tax-Exempt Bonds ends with the issuance of the Tax-Exempt Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Tax-Exempt Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the Beneficial Owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Tax-Exempt Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Tax-Exempt Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Taxable Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the New Money Taxable Bonds and the Refunding Bonds (collectively, the "Taxable Bonds") is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Taxable Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Code. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Taxable Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Taxable Bonds that acquire their Taxable Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the IRS with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Taxable Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Taxable Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Taxable Bonds pursuant to this offering for the issue price that is applicable to such Taxable Bonds (i.e., the price at which a substantial amount of the Taxable Bonds are sold to the public) and who will hold their Taxable Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Taxable Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Taxable Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Taxable Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Taxable Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Taxable Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Notwithstanding the rules described below, it should be noted that certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies may be required to recognize income, gain and loss with respect to the Taxable Bonds at the time that such income, gain or loss is recognized on such financial statements instead of under the rules described below (in the case of original issue discount, such requirements are only effective for tax years beginning after December 31, 2018).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Taxable Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Taxable Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

Taxable Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Taxable Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Taxable Bond.

Sale or Other Taxable Disposition of the Taxable Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition of a Taxable Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Taxable Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Taxable Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Taxable Bond (generally, the purchase price paid by the U.S. Holder for the Taxable Bond, decreased by any amortized premium). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Taxable Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Taxable Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Taxable Bonds. If the District defeases any Taxable Bond, the Taxable Bond may be deemed to be retired for U.S. federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Taxable Bond.

Information Reporting and Backup Withholding. Payments on the Taxable Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Taxable Bonds may be subject to backup withholding at the current rate of 24% with respect to "reportable payments," which include interest paid on the Taxable Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Taxable Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder's failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

Non-U.S. Holders

Interest. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act," payments of principal of, and interest on, any Taxable Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, a such term is defined in the Code, which is related to the District through stock ownership and (2) a bank which acquires such Taxable Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Taxable Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading "Information Reporting and Backup Withholding," or an exemption is otherwise established.

Disposition of the Taxable Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "FATCA," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the District or a deemed retirement due to defeasance of the Taxable Bond) or other disposition of a Taxable Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the District) or other disposition and certain other conditions are met.

U.S. Federal Estate Tax. A Taxable Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual's death, provided that, at the time of such individual's death, payments of interest with respect to such Taxable Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "FATCA," under current U.S. Treasury Regulations, payments of principal and interest on any Taxable Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Taxable Bond or a financial institution holding the Taxable Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 24%.

Foreign Account Tax Compliance Act ("FATCA")—U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Under current guidance, failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest on the Taxable Bonds. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current guidance, will apply to certain "passthru" payments no earlier than the date that is two years after publication of final U.S. Treasury Regulations defining the term "foreign passthru payments." Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Taxable Bonds in light of the holder's particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Taxable Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

CERTAIN ERISA CONSIDERATIONS

The Employee Retirement Income Security Act of 1974, as amended ("ERISA"), imposes certain restrictions on employee pension and welfare benefit plans subject to ERISA ("ERISA Plans") regarding prohibited transactions, and also imposes certain obligations on those persons who are fiduciaries with respect to ERISA Plans. Section 4975 of the Code imposes similar prohibited transaction restrictions on certain plans, including (i) tax-qualified retirement plans described in Section 401(a) and 403(a) of the Code, which are exempt from tax under section 501(a) of the Code and which are not governmental or church plans as defined herein ("Qualified Retirement Plans"), and (ii) individual retirement accounts ("IRAs") described in Section 408(b) of the Code (the foregoing in clauses (i) and (ii), "Tax-Favored Plans"). Certain employee benefit plans, such as governmental plans (as defined in Section 3(32) of ERISA), non-U.S. plans (as described in Section 4(b)(4) of ERISA) and, if no election has been made under Section 410(d) of the Code, church plans (as defined in Section 3(33) of ERISA), are not subject to ERISA requirements or Section 4975 of the Code, but may be subject to requirements or prohibitions under applicable federal, state, local, non-U.S. or other laws or regulations that are, to a material extent, similar to the requirements of ERISA and Section 4975 of the Code ("Similar Law").

In addition to the imposition of general fiduciary obligations, including those of investment prudence and diversification and the requirement that a plan's investment be made in accordance with the documents governing the plan, ERISA Plans are subject to prohibited transaction restrictions imposed by Section 406 of ERISA. ERISA Plans and Tax-Favored Plans are also subject to prohibited transaction restrictions imposed by Section 4975 of the Code. These rules generally prohibit a broad range of transactions between (i) ERISA Plans, Tax-Favored Plans and entities whose underlying assets include plan assets by reason of ERISA Plans or Tax-Favored Plans investing in such entities (collectively, "Benefit Plans") and (ii) persons who have certain specified relationships to the Benefit Plans (such persons are referred to as "Parties in Interest" or "Disqualified Persons"), in each case unless a statutory, regulatory or administrative exemption is available. The definitions of "Party in Interest" and "Disqualified Person" are expansive. While other entities may be encompassed by those definitions, they include most notably: (1) a fiduciary with respect to a Benefit Plan; (2) a person providing services to a Benefit Plan; (3) an employer or employee organization any of whose employees or members are covered by a Benefit Plan; and (4) an owner of an IRA. Certain Parties in Interest (or Disqualified Persons) that participate in a non-exempt prohibited transaction may be subject to a penalty (or an excise tax) imposed pursuant to Section 502(i) of ERISA (or Section 4975 of the Code) unless a statutory, regulatory or administrative exemption is available. Without an exemption, an owner of an IRA may disqualify his or her IRA.

Certain transactions involving the purchase, holding or transfer of the Taxable Bonds might be deemed to constitute prohibited transactions under ERISA and the Code if assets of the District were deemed to be assets of a Benefit Plan. Under final regulations issued by the United States Department of

Labor at 29 C.F.R. section 2510.3-101, as modified by Section 3(42) of ERISA (the "Plan Assets Regulation"), the assets of the District would be treated as plan assets of a Benefit Plan for the purposes of ERISA and the Code if the Benefit Plan acquires an "equity interest" in the District and none of the exceptions contained in the Plan Assets Regulation are applicable. An equity interest is defined under the Plan Assets Regulation as an interest in an entity other than an instrument that is treated as indebtedness under applicable local law and that has no substantial equity features. Although there can be no assurances in this regard, it appears that the Taxable Bonds should be treated as debt without substantial equity features for purposes of the Plan Assets Regulation and accordingly the assets of the District should not be treated as the assets of Benefit Plans investing in the Taxable Bonds. The debt treatment of the Taxable Bonds for ERISA purposes could change subsequent to issuance of the Taxable Bonds. In the event of a withdrawal or downgrade to below investment grade of the rating of the Taxable Bonds or a characterization of the Taxable Bonds as other than indebtedness under applicable local law, the subsequent purchase of the Taxable Bonds or any interest therein by a Benefit Plan is prohibited.

However, without regard to whether the Taxable Bonds are treated as an equity interest for such purposes, the acquisition or holding of Taxable Bonds by or on behalf of a Benefit Plan could be considered to give rise to a prohibited transaction if the District or the Paying Agent, or any of their respective affiliates, is or becomes a Party in Interest or a Disqualified Person with respect to such Benefit Plan. The fiduciary of a Benefit Plan that proposes to purchase and hold any Taxable Bonds should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit to a Party in Interest or a Disqualified Person, (ii) the sale or exchange of any property between a Benefit Plan and a Party in Interest or a Disqualified Person, or (iii) the transfer to, or use by or for the benefit of, a Party in Interest or a Disqualified Person, of any Benefit Plan assets.

Certain status-based exemptions from the prohibited transaction rules could be applicable depending on the type and circumstances of the plan fiduciary making the decision to acquire a Taxable Bond. These are commonly referred to as prohibited transaction class exemptions or "PTCEs." Included among these exemptions are:

PTCE 75-1, which exempts certain transactions between a Benefit Plan and certain brokers-dealers, reporting dealers and banks;

PTCE 96-23, which exempts transactions effected at the sole discretion of an "in-house asset manager";

PTCE 90-1, which exempts certain investments by an insurance company pooled separate account;

PTCE 95-60, which exempts certain investments effected on behalf of an "insurance company general account";

PTCE 91-38, which exempts certain investments by bank collective investment funds; and

PTCE 84-14, which exempts certain transactions effected at the sole discretion of a "qualified professional asset manager."

In addition, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code generally provide for a statutory exemption from the prohibitions of Section 406(a) of ERISA and Section 4975 of the Code, commonly referred to as the "Service Provider Exemption." The Service Provider Exemption covers transactions involving "adequate consideration" between Benefit Plans and persons who are Parties in Interest or Disqualified Persons solely by reason of providing services to such Benefit Plans or who are persons affiliated with such service providers, provided generally that such persons are not fiduciaries with respect to "plan assets" of any Benefit Plan involved in the transaction and that certain other conditions are satisfied.

The availability of each of these PTCEs and/or the Service Provider Exemption is subject to a number of important conditions which the Benefit Plan's fiduciary must consider in determining whether such exemptions apply. There can be no assurance that all the conditions of any such exemptions will be satisfied at the time that the Taxable Bonds are acquired by a purchaser, or thereafter, if the facts relied upon for utilizing a prohibited transaction exemption change, or that the scope of relief provided by these exemptions will necessarily cover all acts that might be construed as prohibited transactions. Therefore, a Benefit Plan fiduciary considering an investment in the Taxable Bond should consult with its counsel prior to making such purchase.

By its acceptance of a Taxable Bond (or an interest therein), each purchaser and transferee (and if the purchaser or transferee is a Benefit Plan, its fiduciary) will be deemed to have represented and warranted that either (i) no "plan assets" of any Benefit Plan or a plan subject to Similar Law have been used to purchase such Taxable Bond or (ii) the purchase and holding of such Taxable Bonds is exempt from the prohibited transaction restrictions of ERISA and Section 4975 of the Code pursuant to a statutory, regulatory or administrative exemption and will not violate Similar Law. A purchaser or transferee who acquires Taxable Bonds with assets of a Benefit Plan represents that such purchaser or transferee has considered the fiduciary requirements of ERISA, the Code or Similar Laws and has consulted with counsel with regard to the purchase or transfer.

None of the District, the Paying Agent, or the Underwriter is undertaking to provide impartial investment advice or to give advice in a fiduciary capacity in connection with the acquisition or transfer of the Taxable Bonds by any Benefit Plan.

The foregoing discussion is general in nature and is not intended to be all-inclusive. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that any Benefit Plan fiduciary or other person considering whether to purchase Taxable Bonds on behalf of a Benefit Plan should consult with its counsel regarding the applicability of the fiduciary responsibility and prohibited transaction provisions of ERISA and the Code to such investment and the availability of any exemption. In addition, persons responsible for considering the purchase of Taxable Bonds by a governmental plan, non-electing church plan or non-U.S. plan should consult with their counsel regarding the applicability of any Similar Law to such an investment.

OTHER LEGAL MATTERS

Legal Opinion

The validity of the Series 2021 Bonds and certain other legal matters are subject to the approving opinions of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District. Bond Counsel expects to deliver opinions with respect to the Series 2021 Bonds at the time of issuance substantially in the forms set forth in Appendix C. Bond Counsel, as such, undertakes no responsibility for the accuracy, completeness or fairness of this Official Statement. Certain legal matters will be passed upon for the District by Orrick, Herrington & Sutcliffe LLP, as Disclosure Counsel to the District, and for the Underwriter by Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, Sacramento, California.

Legality for Investment in California

Under the provisions of the California Financial Code, the Series 2021 Bonds are legal investments for commercial banks in California to the extent that the Series 2021 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 Series 2021 Bonds are eligible securities for deposit of public monies in the State.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Series 2021 Bonds to provide, or to cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board (the "EMMA System") certain annual financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (currently ending June 30), commencing with the report for fiscal year 2020-21 (which is due no later than April 1, 2022) and notice of the occurrence of certain enumerated events ("Notice Events") in a timely manner not in excess of ten business days after the occurrence of such a Notice Event. The specific nature of the information to be contained in the Annual Report and the notices of Notice Events is set forth in APPENDIX D – "FORMS OF CONTINUING DISCLOSURE CERTIFICATES." These covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") of the Securities and Exchange Commission (the "SEC").

In the past five years, the District failed to timely file certain operating data required by its prior continuing disclosure undertakings in its annual reports for fiscal years 2015-16 and 2016-17.

Isom Advisors, a Division of Urban Futures, Inc. currently serves as the District's dissemination agent in connection with each of the District's prior continuing disclosure undertakings pursuant to the Rule and will serve as dissemination agent in connection with the continuing disclosure undertaking to be entered into relating to the Series 2021 Bonds.

Litigation

No litigation is pending or threatened concerning or contesting the validity of the Series 2021 Bonds or the District's ability to receive ad valorem taxes and to collect other revenues, or contesting the District's ability to issue and retire the Series 2021 Bonds. The District is not aware of any litigation pending or threatened questioning the political existence of the District or contesting the title to their offices of District officers who will execute the Series 2021 Bonds or District officials who will sign certifications relating to the Series 2021 Bonds, or the powers of those offices. A certificate (or certificates) to that effect will be furnished to the Underwriter at the time of the original delivery of the Series 2021 Bonds.

From time to time, tort claims or lawsuits may be filed against the District. Said claims or lawsuits, ranging from claims of discrimination or harassment to physical injuries, are typically tendered to the District's insurer and, if accepted by the insurer, the District's defense is assigned to insurance counsel. In such cases, the District expects any liability to be covered by its insurance and does not expect its financial position or operations to be materially impacted. However, the District cannot predict the outcome of any such litigation or tort claims. The Series 2021 Bonds are payable from ad valorem taxes to be levied within the District and collected by the County, and such claims or lawsuits do not impact said levy or collection. When collected, such tax revenues will be deposited by the County in the Interest and Sinking Fund of the District, which is required to be maintained by the County and to be used solely for the payment of bonds of the District.

ESCROW VERIFICATION

The arithmetical accuracy of certain computations included in the schedules provided by the Underwriter (defined herein) relating to the computation of projected receipts of principal and interest on the Defeasance Securities, and the projected payments of principal, redemption premium, if any, and interest to retire the Refunded Bonds will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the "Verification Agent"). Such computations will be based solely on assumptions and information supplied by the District and the Underwriter (defined herein). The Verification Agent will restrict its procedures to verifying the arithmetical accuracy of certain computations and will not make any study to evaluate the assumptions and information on which the computations are based, and will express no opinion on the data used, the reasonableness of the assumptions or the achievability of the projected outcome.

MISCELLANEOUS

Ratings

Moody's Investors Service Inc. and S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC, have assigned their respective ratings of "Aa3" and "AA-" to the Series 2021 Bonds. Rating agencies generally base their ratings on their own investigations, studies and assumptions as well as information and materials furnished to them (which may include information and materials from the District, which are not included in this Official Statement). The ratings reflect only the views of the rating agencies furnishing the same, and any explanation of the significance of such ratings should be obtained only from the rating agencies providing the same. Such ratings are not a recommendation to buy, sell or hold the Series 2021 Bonds. There is no assurance that any ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by the rating agencies providing the same, if, in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2021 Bonds. Neither the Underwriter (defined below) nor the District has undertaken any responsibility after the offering of the Series 2021 Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

Professionals Involved in the Offering

Orrick, Herrington & Sutcliffe LLP is acting as Bond Counsel and Disclosure Counsel with respect to the Series 2021 Bonds, and will receive compensation from the District contingent upon the sale and delivery of the Series 2021 Bonds. Isom Advisors, a Division of Urban Futures, Inc., is acting as the District's municipal advisor (the "Municipal Advisor") with respect to the Series 2021 Bonds. Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation, is acting as counsel to the Underwriter with respect to the Series 2021 Bonds. Payment of the fees and expenses of the District's Municipal Advisor and counsel to the Underwriter are also contingent upon the sale and delivery of the Series 2021 Bonds. From time to time, Bond Counsel represents the Underwriter (defined below) on matters unrelated to the Series 2021 Bonds.

Underwriting

The New Money Bonds are being purchased for reoffering to the public by Raymond James & Associates, Inc. (the "Underwriter"), pursuant to the terms of a bond purchase agreement executed on March 2, 2021 (the "New Money Purchase Agreement"), by and between the Underwriter and the District. The Underwriter has agreed to purchase the New Money Bonds at a price of $105,246,799.58. The New Money Purchase Agreement provides that the Underwriter will purchase all of the New Money Bonds, subject to certain terms and conditions set forth in the New Money Purchase Agreement, including the approval of certain legal matters by counsel.

The Refunding Bonds are being purchased for reoffering to the public by the Underwriter pursuant to the terms of a bond purchase agreement executed on March 2, 2021 (the "Refunding Purchase Agreement"), by and between the Underwriter and the District. The Underwriter has agreed to purchase the Refunding Bonds at a price of $16,404,981.25 (which represents the aggregate principal amount of the Refunding Bonds, less Underwriter's discount in the amount of $70,018.75). The Refunding Purchase Agreement provides that the Underwriter will purchase all of the Refunding Bonds, subject to certain terms and conditions set forth in the Refunding Purchase Agreement, including the approval of certain legal matters by counsel.

The Underwriter may offer and sell the Series 2021 Bonds to certain securities dealers and dealer banks and banks acting as agent at prices lower than the public offering prices set forth on the inside front cover pages of this Official Statement. The public offering prices may be changed from time to time by the Underwriter.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to purchasers of the Series 2021 Bonds. Quotations from and summaries and explanations of the Series 2021 Bonds and of the statutes and documents contained herein do not purport to be complete, and reference is made to such documents and statutes for full and complete statements of their provisions.

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 Series 2021 Bonds.

The District has duly authorized the delivery of this Official Statement.

GILROY UNIFIED SCHOOL DISTRICT

By: /s/ Deborah A. Flores, Ph.D.
Superintendent

APPENDIX A

INFORMATION RELATING TO THE DISTRICT'S OPERATIONS AND BUDGET

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The information in this appendix concerning the operations of the Gilroy Unified School District (the "District"), the District's finances, and State of California (the "State") funding of education, is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Series 2021 Bonds is payable from the general fund of the District or from State revenues. The Series 2021 Bonds are payable from the proceeds of an ad valorem tax approved by the voters of the District pursuant to all applicable laws and State Constitutional requirements, and required to be levied by the County of Santa Clara on property within the District in an amount sufficient for the timely payment of principal of and interest on the Series 2021 Bonds. See "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS" in the front portion of this Official Statement.

THE DISTRICT

Introduction

The District is located in the County of Santa Clara (the "County") and provides public education in kindergarten through twelfth grade ("K-12") within an approximately 260-square-mile area that includes all of the City of Gilroy and adjoining unincorporated areas.

The District operates seven elementary schools, three middle schools, two comprehensive high schools, one early college academy, one continuation high school and one adult education center. There is also one independent charter school, Gilroy Prep Academy/Navigator School ("Gilroy Prep Academy"), operating within the District. The District's enrollment for fiscal year 2019-20 was approximately 11,135 students and is projected to be 10,853 students in fiscal year 2020-21, excluding enrollment at Gilroy Prep Academy. The District's projected fiscal year 2020-21 general fund expenditures are expected to be approximately $156.29 million based on the District's first interim report for fiscal year 2020-21. Taxable property in the District has a fiscal year 2020-21 total assessed value of $11.98 billion. As of December 2020, the District employed approximately 1,039 full-time equivalent ("FTE") employees, consisting of approximately 575 FTE non-management certificated employees, approximately 40 FTE certificated management employees, approximately 20 FTE classified non-management employees and approximately 404 FTE classified management employees. The District operates under the jurisdiction of the Santa Clara County Superintendent of Schools.

The District is governed by a Board of Education (the "Board") consisting of seven trustees, each elected by voters within the applicable trustee area to serve four-year terms in staggered years. To enhance communication and collaboration between the Board and the student body, the Board supports student participation in District governance. Pursuant to Board Bylaws, high school students within the District may submit a petition requesting that the Board appoint one or more student representatives/trustees (up to one student trustee for each District-operated high school) for a term of one year, commencing on July 1. Once appointed, student representatives have the right to be seated with other members of the Board during open-session, participate in the questions and discussions and cast preferential votes on all open-session matters. Preferential votes are formal expression of the opinion of the student trustee(s) on the matters presented to the Board and are recorded in the minutes, but do not affect the outcome of a Board vote.

The Board closed the Antonio Del Buono Elementary School in summer 2020 (following the conclusion of the 2019-20 school year) due to declining enrollment. Beginning with the 2020-21 school year, students from the Antonio Del Buono Elementary School are attending either Luigi Aprea Elementary School or Rucker Elementary School.

The District's day-to-day operations are managed by a board-appointed Superintendent of Schools (the "Superintendent"). Deborah A. Flores, Ph.D., has served as the Superintendent of the District since July 2007. Dr. Flores began her educational career in 1975 as a special education teacher and has worked in various capacities in California school districts since then, including as the Superintendent of Lucia Mar Unified School District in San Luis Obispo County.

Board of Education

The Board of Education changed from an "at-large" election system to a "trustee area" election system beginning with the November 2020 election. Each December the Board elects a President and Vice President to serve one-year terms. Current members of the Board, together with their office, trustee area, and the date their term expires, are listed below.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)

Board of Education

Name	Office	Trustee Area	Term Expires
Mark W. Good	President	Area 2	December 2024
Linda Piceno	Vice President	Area 4	December 2022
Enrique Diaz	Member	Area 1	December 2022
Michelle Nelson	Member	Area 3	December 2022
Tuyen Fiack	Member	Area 7	December 2022
James E. Pace	Member	Area 5	December 2024
Melissa Nicholson Aguirre	Member	Area 6	December 2024

Superintendent and Assistant Superintendent, Business Services Personnel

The Superintendent of the District is appointed by the Board and reports to the Board. The Superintendent is responsible for management of the District's day-to-day operations and supervises the work of other key District administrators. Deborah A. Flores, Ph.D. has served as Superintendent of the District since July 2007. The Assistant Superintendent, Business Services reports directly to the Superintendent. The Assistant Superintendent, Business Services is responsible for management of the District's finances and business operations. Álvaro Meza has served as Assistant Superintendent, Business Services since July 2013. Information concerning the Superintendent and the Assistant Superintendent, Business Services is set forth below.

Deborah A. Flores, Ph.D., Superintendent. Dr. Deborah Flores has been the Superintendent of the District since July 2007. Dr. Flores has been a superintendent of schools for 13 years. Prior to joining the District, she was superintendent of two school districts: Lucia Mar Unified School District located in Arroyo Grande, California, and Santa Barbara School District in Santa Barbara, California. Dr. Flores also held the positions of Assistant and Deputy Superintendent in the Santa Barbara School District, where she worked for almost 15 years. Prior to coming to California in 1988, Dr. Flores worked in the field of special education, first as a special education teacher at an elementary level and then as a special education director (K-12). She also held the position of Pupil Services Director where she was responsible for a broad range of programs, including special education, categoricals, guidance counseling and assessment. After moving to California, she initially worked for the Riverside County Office of Education in the child development division and administered preschool programs throughout Riverside County. Dr. Flores has a Ph.D. from the University of California in Santa Barbara in Educational Administration, a Master's in Education, and a Bachelors of Education from the University of Massachusetts – Amherst. Dr. Flores has received a number of awards including: Teacher of the Year (Amherst, Mass.), Woman of Achievement (Riverside County), ACSA Central Office Administrator of the Year (Santa Barbara, California) and ACSA

Superintendent of the Year. On December 2020, the Gilroy Chamber of Commerce named Dr. Flores the 2021 Spice of Life Woman of the Year.

Álvaro Meza, Assistant Superintendent, Business Services. Mr. Meza has over 17 years of public school finance experience. He started his career as a financial analyst in 2002 at the Salinas City Elementary School District. While at Salinas City Elementary School District, he was promoted to Coordinator of Fiscal Services and then Controller. Mr. Meza became the Director of Fiscal Services while obtaining the Chief Business Official Certificate from the California Association of School Business Officials. Mr. Meza became the Assistant Superintendent of Santa Cruz City Schools in 2009, where he helped such district regain its fiscal solvency and helped restored its positive certification. Mr. Meza joined the District in July 2013, and enjoys living and working in Gilroy. Mr. Meza has a Bachelor's of Arts in Economics and a Master's of Science in Applied Economics and Finance from the University of California, Santa Cruz.

Cybersecurity

The District collects, processes, and distributes an enormous amount of private, protected and personal information on students, staff, parents, visitors, and contractors. As the custodian of such information, the District may face cybersecurity threats from time to time. Within the past five years, an incident occurred in which one District computer was infected with malware; the unit was quickly identified and isolated without compromising the network. The District maintains cybersecurity insurance coverage in the amount of $1 million per occurrence to protect against any damage caused by a cybersecurity attack.

DISTRICT FINANCIAL MATTERS

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund in accordance with the Local Control Funding Formula (the "Local Control Funding Formula" or "LCFF") (see "– Allocation of State Funding to School Districts; Local Control Funding Formula") and a local portion derived from the District's share of the 1% local ad valorem tax authorized by the State Constitution (see "– Local Sources of Education Funding"). In addition, school districts may be eligible for other special categorical funding from State and federal government programs. The District projects it will receive approximately 46.68% of its general fund revenues from State funds (not including the local portion derived from the District's share of the local ad valorem tax), projected at approximately $68.49 million in fiscal year 2020-21. Such amount includes both the State funding provided under the LCFF as well as other State revenues (see "–Allocation of State Funding to School Districts; Local Control Funding Formula," "–Attendance and LCFF" and "Other District Revenues – Other State Revenues" below). As a result, decreases or deferrals in State revenues, or in State legislative appropriations made to fund education, may significantly affect the District's revenues and operations.

Under Proposition 98, a constitutional and statutory amendment adopted by the State's voters in 1988 and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution), a minimum level of funding is guaranteed to school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is generally at the center of annual budget negotiations and adjustments.

In connection with the State Budget Act for fiscal year 2013-14, the State and local education agencies therein implemented the LCFF. Funding from the LCFF replaced the revenue limit funding system and most categorical programs. See "– Allocation of State Funding to School Districts; Local Control Funding Formula" for more information.

State Budget Process. According to the State Constitution, the Governor must propose a budget to the State Legislature no later than January 10 of each year, and a final budget must be adopted no later than June 15. The budget requires a simple majority vote of each house of the State Legislature for passage. The budget becomes law upon the signature of the Governor, who may veto specific items of expenditure. A two-thirds vote of the State Legislature is required to override any veto by the Governor. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget. The Governor signed the fiscal year 2020-21 State budget on June 29, 2020.

When the State budget is not adopted on time, basic appropriations and the categorical funding portion of each school district's State funding are affected differently. Under the rule of White v. Davis (also referred to as Jarvis v. Connell), a State Court of Appeal decision reached in 2002, there is no constitutional mandate for appropriations to school districts without an adopted budget or emergency appropriation, and funds for State programs cannot be disbursed by the State Controller until that time, unless the expenditure is (i) authorized by a continuing appropriation found in statute, (ii) mandated by the State Constitution (such as appropriations for salaries of elected State officers), or (iii) mandated by federal law (such as payments to State workers at no more than minimum wage). The State Controller has consistently stated that basic State funding for schools is continuously appropriated by statute, but that special and categorical funds may not be appropriated without an adopted budget. Should the State Legislature fail to pass a budget or emergency appropriation before the start of any fiscal year, the District might experience delays in receiving certain expected revenues. The District is authorized to borrow temporary funds to cover its annual cash flow deficits, and as a result of the White v. Davis decision, the District might find it necessary to increase the size or frequency of its cash flow borrowings, or to borrow earlier in the fiscal year. The District does not expect the White v. Davis decision to have any long-term effect on its operating budgets.

Aggregate State Education Funding. The Proposition 98 guaranteed amount for education is based on prior-year funding, as adjusted through various formulas and tests that take into account State proceeds of taxes, local property tax proceeds, school enrollment, per-capita personal income, and other factors. The State's share of the guaranteed amount is based on State general fund tax proceeds and is not based on the general fund in total or on the State budget. The local share of the guaranteed amount is funded from local property taxes. The total guaranteed amount varies from year to year and throughout the stages of any given fiscal year's budget, from the Governor's initial budget proposal to actual expenditures to post-year-end revisions, as better information regarding the various factors becomes available. Over the long run, the guaranteed amount will increase as enrollment and per capita personal income grow.

If, at year-end, the guaranteed amount is calculated to be higher than the amount actually appropriated in that year, the difference becomes an additional education funding obligation, referred to as "settle-up." If the amount appropriated is higher than the guaranteed amount in any year, that higher funding level permanently increases the base guaranteed amount in future years. The Proposition 98 guaranteed amount is reduced in years when general fund revenue growth lags personal income growth, and may be suspended for one year at a time by enactment of an urgency statute. In either case, in subsequent years when State general fund revenues grow faster than personal income (or sooner, as the Legislature may determine), the funding level must be restored to the guaranteed amount, the obligation to do so being referred to as "maintenance factor."

Although the California Constitution requires the State to approve a balanced State Budget Act each fiscal year, the State's response to fiscal difficulties in some years has had a significant impact upon the Proposition 98 minimum guarantee and the treatment of settle-up payments with respect to years in which the Proposition 98 minimum guarantee was suspended. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent and others sued the State or Governor in 1995, 2005, 2009 and 2011 to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over $4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by deferring apportionments of Proposition 98 funds from one fiscal year to the next, as the State is doing in fiscal years 2019-20 and 2020-21 (see – "2020-21 State Budget" below for further information); by suspending Proposition 98, as the State did in fiscal year 2004-05, fiscal year 2010-11, fiscal year 2011-12 and fiscal year 2012-13; and by proposing to amend the State Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

The District cannot predict how State income or State education funding will vary over the term to maturity of the Series 2021 Bonds, and the District takes no responsibility for informing owners of the Series 2021 Bonds as to actions the State Legislature or Governor may take affecting the current year's budget after its adoption. Information about the State budget and State spending for education is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst at www.lao.ca.gov. In addition, various State of California official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on school districts in the State, may be found at the website of the State Treasurer, www.treasurer.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District can take no responsibility for the continued accuracy of these internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

2020-21 State Budget. The Governor signed the fiscal year 2020-21 State Budget (the "2020-21 State Budget") on June 29, 2020. According to the State, the economic impact of the COVID-19 pandemic has resulted in a $54.3 billion budget deficit, which the State is addressing through the following measures:

- Reserves. The 2020-21 State Budget draws down $8.8 billion in reserves, including $7.8 billion from the State's Rainy Day Fund (the "Rainy Day Fund" or the "State Rainy Day Fund"), $450 million from the Safety Net Reserve, and all of the funds in the Public School System Stabilization Account (the "PSSSA" or the "Proposition 98 Rainy Day Fund").

- Trigger. The 2020-21 State Budget includes $11.1 billion in reductions and deferrals that will be restored if federal legislation providing for at least $14 billion in federal funds is passed by the United States Congress and signed by the President, and such funds are received by October 15, 2020. If the State receives a lesser amount between $2 billion and $14 billion, the reductions and deferrals will be partially restored. The trigger includes $6.6 billion in deferred spending on schools, approximately $970 million in funding for the University of California and the California State University, $2.8 billion for state employee compensation, $150 million for courts, and funding for child support administration, teacher training, moderate-income housing, and infrastructure to support infill housing. The trigger would also fund an additional $250 million for county programs to backfill revenue losses. If the federal government does not provide funds in fiscal year 2020-21, the deferrals provided in the 2020-21 State Budget may create a larger budget shortfall in subsequent fiscal years. A larger budget shortfall in subsequent years may result in continuing deferrals until the State is able to fully fund its current year education obligations in a single budget year.

- Federal Funds. The 2020-21 State Budget relies on $10.1 billion in federal funds that provide general fund relief, including $8.1 billion already received. This includes the enhanced Federal Medical Assistance Percentage, a portion of the State's allocation from the federal Coronavirus Relief Fund and funds provided for childcare programs.

- Revenues. The 2020-21 State Budget temporarily suspends the use of net operating losses for medium and large businesses and temporarily limits to $5 million the amount of business incentive credits a taxpayer can use in any given tax year. These short-term limitations will generate $4.4 billion in new revenues in fiscal year 2020-21.

- Borrowing/Transfers/Deferrals. The 2020-21 State Budget relies on $9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 school districts.

- Cancelled Expansions, Updated Assumptions and Other Solutions. The 2020-21 State Budget includes $10.6 billion of other solutions for addressing the budget deficit, such as cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues, and lower health and human services caseload costs that previously estimated.

Because of such measures described above, the 2020-21 State Budget is a balanced budget for fiscal year 2020-21 that projects approximately $137.7 billion in revenues, $88.8 billion in non-Proposition 98 expenditures and $45.1 billion in Proposition 98 expenditures. The 2020-21 State Budget sets aside $2.6 billion in the Special Fund for Economic Uncertainties (the "SFEU"), and it includes total funding of $98.8 billion ($48.1 billion general fund and $50.7 billion other funds) for all K-12 education programs. The 2020-21 State Budget estimates the Proposition 98 minimum guarantee at $78.5 billion in fiscal year 2018-19, $77.7 billion in fiscal year 2019-20, and $70.9 billion in fiscal year 2020-21. The reduction in Proposition 98 funding will result in per pupil spending of $10,654 in fiscal year 2020-21, a $1,339 reduction from fiscal year 2019-20.

The 2020-21 State Budget offsets such reduction in Proposition 98 funding in several ways, including the following:

- Local Control Funding Formula Deferrals. As a result of the COVID-19 pandemic, $1.9 billion in LCFF apportionments in fiscal year 2019-20 were deferred until fiscal year 2020-21, and the 2020-21 State Budget provides that apportionment deferrals in fiscal year 2020-21 will grow to $11 billion. Such deferrals allow LCFF funding to remain at fiscal year 2019-20 levels in both fiscal years. The 2020-21 State Budget suspends the statutory LCFF cost-of-living adjustment in fiscal year 2020-21. The 2020-21 State Budget provides that $5.8 billion of deferrals will be triggered off in fiscal year 2020-21 if sufficient federal funding is provided that can be used for such purpose.

- Learning Loss Mitigation. Additionally, the 2020-21 State Budget includes a one-time investment of $5.3 billion (comprised of $4.4 billion from the federal Coronavirus Relief Fund, $589.9 million in Proposition 98 general fund resources, and $355.2 from the federal Governor's Emergency Education Relief Fund) to local education agencies to address learning loss resulting from school closures. To ensure that those local educational agencies serving students most affected by the COVID-19 pandemic receive additional funding, the 2020-21 State Budget will allocate $2.9 billion of such funds based on the LCFF supplemental and concentration grant allocation, $1.5 billion of such funds based on the number of students with exceptional needs, and $979.8 million of such funds based on the total LCFF allocation.

- Supplemental Appropriations. In fiscal years 2019-20 and 2020-21, the Proposition 98 funding level drops below the target funding level by a total of approximately $12.4 billion. To accelerate the recovery from such funding reduction, the 2020-21 State Budget provides supplemental appropriations above the required Proposition 98 funding level, beginning in fiscal year 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5% of general fund revenues, up to a total of $12.4 billion.

- Revised CalPERS and CalSTRS Contributions. To provide immediate and long-term relief to school districts facing rising pension costs, the 2020-21 State Budget redirects $2.3 billion appropriated in the 2019-20 State Budget to California State Teachers' Retirement System ("CalSTRS") and the California Public Employees' Retirement System ("CalPERS") for long-term unfunded liabilities to instead reduce employer contribution rates in fiscal years 2020-21 and 2021-22. Such reallocation will reduce the CalSTRS employer contribution rate from 18.41% to approximately 16.15% in fiscal year 2020-21 and from 17.9% to 16.02% in fiscal year 2021-22. The CalPERS Schools Pool employer contribution rate will be reduced from 22.67% to 20.7% in fiscal year 2020-21 and from 24.6% to 22.84% in fiscal year 2021-22.

- Federal Funds. In addition to the federal Coronavirus Relief Fund and Governor's Emergency Education Relief Fund allocations described above, the 2020-21 State Budget includes $1.6 billion in federal Secondary School Emergency Relief funds. Of this amount, $1.5 billion will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive and may be used for costs relating to the COVID-19 pandemic. Of the remaining $164.7 million, $112.2 million will be used to provide up to $0.75 per meal for local educational agencies participating in certain school meal programs and serving meals between March 2020 and August 2020 due to school closures, $45 million will be used for grants to local educational agencies to increase access to health, mental health, and social service supports for high-need students, $6 million will be used to provide educator professional development for providing high quality distance learning, and $1.5 million will be used for State Department of Education costs associated with the COVID-19 pandemic.

- Temporary Revenue Increases. As described above, the 2020-21 State Budget includes a temporary three-year suspension of net operating losses, and a limitation on business incentive tax credits to offset no more than $5 million of tax liability per year. These temporary changes, along with other tax changes, will generate additional general fund revenues, approximately $1.6 billion of which will benefit the Proposition 98 guarantee.

- Special Education. The 2020-21 State Budget provides for increased special education base rates of $625 per pupil pursuant to a new funding formula. The 2020-21 State Budget also includes $100 million to increase funding for students with low-incidence disabilities, $15 million in federal Individuals with Disabilities Education Act ("IDEA") funds for the Golden State Teacher Scholarship Program to increase the special education teacher pipeline, $8.6 million in IDEA funds to assist local educational agencies to develop regional alternative dispute resolution services and statewide mediation services, and $1.1 million in IDEA funds to study the current special education governance and accountability structure.

- Average Daily Attendance and Distance Learning. The 2020-21 State Budget assumes that local educational agencies will provide in-classroom instruction during the 2020-21 school year, but recognizes that public health officials may require school closures. To ensure funding stability regardless of instructional model, the 2020-21 State Budget includes a hold-harmless provision for the purpose of calculating apportionments in fiscal year 2020-21, and it provides that average daily attendance will be based on the 2019-20 school year. The 2020-21 State Budget also includes requirements for distance learning services in the event of school closures.

- Employee Protections. The 2020-21 State Budget suspends layoffs of non-management certificated staff during fiscal year 2020-21 and classified staff who hold positions in nutrition, transportation, or custodial services during fiscal year 2020-21. The 2020-21 State Budget includes $60 million Proposition 98 general fund resources to provide a match of State funds for participating classified employees to be paid during the summer recess period. The 2020-21 State Budget also states that it is the intent of the State Legislature that school districts, community college districts, joint powers authorities, and county offices of education retain all classified employees in fiscal year 2020-21.

The complete 2020-21 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Proposed 2021-22 State Budget. The Governor released his proposed State budget for fiscal year 2021-22 (the "Proposed 2021-22 State Budget") on January 8, 2021. The Proposed 2021-22 State Budget sets forth a balanced budget for fiscal year 2021-22 with an economic outlook and revenue forecast that is much improved from the 2020-21 State Budget. The Governor cautions that as the State enters fiscal year 2021-22, the risks to such positive forecast remain higher than usual as the State's health and economy are threatened by the highest infection rate since the start of the COVID-19 pandemic. With increasing distribution of vaccines, however, the Governor notes that the State is poised to begin an equitable and broad-based recovery.

The Proposed 2021-22 State Budget estimates that total resources available in fiscal year 2020-21 will total approximately $168.10 billion (including a prior year balance of approximately $5.36 billion) and total expenditures in fiscal year 2020-21 will total approximately $155.90 billion. The Proposed 2021-22 State Budget anticipates the following fund balances for fiscal year 2020-21: $3.18 billion in the State's Reserve for Liquidation of Encumbrances (the "Encumbrances Reserve"), $9.03 billion in the State's SFEU, $747.00 million in the Proposition 98 Rainy Day Fund, $450.00 million in the State's Safety Net Reserve, and $12.54 billion in the State Rainy Day Fund.

The Proposed 2021-22 State Budget projects total resources available for fiscal year 2021-22 of approximately $170.57 billion, inclusive of revenues and transfers of approximately $158.37 billion and a prior year balance of approximately $12.20 billion. The Proposed 2021-22 State Budget projects total expenditures of approximately $164.52 billion, inclusive of non-Proposition 98 expenditures of approximately $103.68 billion and Proposition 98 expenditures of approximately $60.83 billion. The Proposed 2021-22 State Budget proposes to allocate approximately $3.18 billion of the general fund's projected fund balance to the Encumbrances Reserve and approximately $2.88 billion of such fund balance to the SFEU. In addition, the Proposed 2021-22 State Budget includes deposits to the PSSSA and State Rainy Day Fund with estimated fund balances of approximately $2.99 billion in the PSSSA and approximately $15.57 billion in the State Rainy Day Fund in fiscal year 2021-22 while maintaining the State's Safety Net Reserve fund balance of approximately $450 million. The Proposed 2021-22 State Budget notes that such fund balances will be critical to the State's financial resiliency as the Proposed 2021-

22 State Budget projects that expenditures will grow faster than revenues, with a structural deficit of approximately $7.6 billion projected for fiscal year 2022-23 that is forecast to grow to over approximately $11 billion by fiscal year 2024-25.

The Proposed 2021-22 State Budget currently projects that the State's appropriations limit (referred to as the "Gann Limit") will be exceeded for just the second time since its passage in 1979. The Gann Limit is currently projected to be exceeded by approximately $102 million. As a result, any funds above the Gann Limit are constitutionally required to be allocated evenly between school districts and a tax refund.

In light the State's improved economic outlook and revenue forecast for fiscal year 2021-22, the Proposed 2021-22 State Budget reflects the highest-ever State funding level for K-14 education, including the following notable proposals relating to education:

- Proposition 98. The Proposed 2021-22 State Budget includes $85.8 billion of Proposition 98 resources for K-12 schools and community colleges, which represents an increase of $14.9 billion above the level funded in the 2020-21 State Budget and the highest-ever level of funding for K-14 schools. The Proposition 98 funding levels for fiscal year 2019-20 and 2020-21 increased from the 2020-21 State Budget amounts by $1.9 billion and $11.9 billion, respectively, due almost exclusively to increased State general fund revenues in such fiscal years. Total K-12 per-pupil expenditures from all sources are projected to be $18,837 in fiscal year 2020-21 and $18,000 in fiscal year 2021-22 (the decrease between the level of per-pupil expenditures in fiscal year 2020-21 and fiscal year 2021-22 is reflective of the significant allocation of one-time federal funds in fiscal year 2020-21). The Proposed 2021-22 State Budget includes $12,648 of ongoing K-12 per-pupil expenditures of Proposition 98 resources, which represents an increase of $1,994 over the level provided in the 2020-21 State Budget.

- Local Control Funding Formula. The 2020-21 State Budget suspended the cost-of-living adjustment for LCFF in fiscal year 2020-21. To remedy the prior fiscal year's suspension, the Proposed 2021-22 State Budget funds LCFF in fiscal year 2021-22 with both the fiscal year 2020-21 cost-of-living adjustment of 2.31 percent and the fiscal year 2021-22 cost-of-living adjustment of 1.5 percent, for a total combined cost-of-living adjustment of 3.84 percent in fiscal year 2021-22. By combining such cost-of-living adjustments in fiscal year 2021-22, the Proposed 2021-22 State Budget increases Proposition 98 general fund resources for LCFF by $2 billion. Under the Proposed 2021-22 State Budget, total LCFF funding is approximately $64.5 billion, and all local education agencies are funded at their full LCFF target level.

- No A.D.A. Hold Harmless Provision. Unlike the 2020-21 State Budget, the Proposed 2021-22 State Budget does not include a new A.D.A. hold harmless provision for fiscal year 2021-22. However, because of the existing A.D.A. hold harmless provision in the 2020-21 State Budget, local education agencies that experience enrollment declines in fiscal year 2021-22 will retain the ability to receive their LCFF apportionment based on the higher of their 2019-20 or 2020-21 A.D.A. pursuant to existing law.

- Local Property Tax Adjustments. The Proposed 2021-22 State Budget includes an increase of $54.1 million of ongoing Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2020-21 as a result of decreased offsetting property tax revenues. However, the Proposed 2021-22 State Budget reflects a decrease of $1.2 billion of ongoing Proposition 98 general fund resources for school districts and county offices of education in fiscal year 2021-22 as a result of increased offsetting property taxes.

- In-Person Instruction Grants. The Proposed 2021-22 State Budget includes $2 billion of one-time Proposition 98 general fund resources, available beginning in February 2021, to augment resources for schools to offer in-person instruction safely. This funding will be available on a per-pupil basis for all county schools, school districts, and certain charter schools that are open for in-person instruction by specified dates. Funds may be used for any purpose that supports in-person instruction, and school districts must complete a COVID-19 School Safety Plan and adopt and implement a COVID-19 surveillance testing plan for staff and students as a condition to receipt of such funds.

- Expanded Learning Time and Academic Interventions Grants. To address learning loss due to the COVID-19 pandemic, the Proposed 2021-22 State Budget proposes to allocate $4.6 billion in one-time Proposition 98 general fund resources for early action by the State legislature. This funding will provide school districts with time to design targeted interventions that focus on students from low-income families, English language learners, youth in foster care, and homeless youth, including an extended school year or summer school.

- Federal COVID-19 Relief Funds. The Proposed 2021-22 State Budget assumes, based recent federal legislation (see " – Infectious Disease Outbreak" below for more information on HR 133), that the school districts within the State could receive more than $6 billion in total funding from the federal Elementary and Secondary Schools Emergency Relief Fund (of which 90 percent would go directly to Title I schools) and $400 million in total funding from the federal Governor's Emergency Education Relief Fund to assist schools in reopening and remaining open for in-person instruction during the COVID-19 pandemic.

- Proposition 98 Rainy Day Fund (Public School System Stabilization Account). The Proposed 2021-22 State Budget projects that a $747 million deposit into the Proposition 98 Rainy Day Fund (PSSSA) will be required in fiscal year 2020-21, and a $2.2 billion deposit will be required in fiscal year 2021-22. The balance of approximately $3 billion in fiscal year 2021-22 triggers school district reserve caps beginning in fiscal year 2022-23.

- Deferrals. The 2020-21 State Budget included deferrals of LCFF apportionments in the amounts of $1.9 billion in fiscal year 2019-20, growing to more than $11 billion in fiscal year 2020-21. The Proposed 2021-22 State Budget pays off the full K-12 deferral of LCFF apportionments in fiscal year 2019-20 and pays off approximately $7.3 billion of the K-12 deferral of LCFF apportionments in fiscal year 2020-21, leaving an ongoing K-12 deferral balance of $3.7 billion in fiscal year 2021-22. The Proposed 2021-22 State Budget provides that the June 2022 apportionment will be delayed until July 2022, but that no other apportionments will be affected.

- Additional Funding for K-14 Education. The Proposed 2021-22 State Budget includes $3.4 billion of non-Proposition 98 general fund resources for K-14 education. Such funding is in addition to the recent federal COVID-19 pandemic relief funding for school districts. See " – Infectious Disease Outbreak" below for more information on HR 133.

- Supplemental Payments. The Proposed 2021-22 State Budget projects a decline of $511 million of Proposition 98 funding in fiscal year 2019-20 and fiscal year 2020-21 – a vast improvement from the projected decline of $12.4 billion in the 2020-21 State Budget. As a result, the Proposed 2021-22 State Budget proposes to remove the supplemental payments included in the 2020-21 State Budget. However, in recognition of the extraordinary needs of students and the public school system as a result of the COVID-19 pandemic, the Proposed 2021-22 State Budget includes a one-time $2.3 billion supplementary payment to K-14 schools in fiscal year 2021-22.

- CalPERS/CalSTRS Contributions. The Proposed 2021-22 State Budget provides that CalSTRS will apply $820 million in fiscal year 2021-22 to reduce the employer rate from 18.1 percent to approximately 15.92 percent, and that CalPERS will apply $330 million in fiscal year 2021-22 to reduce the Schools Pool employer contribution rate from 24.9 percent to 23 percent.

- Investing in Educator Professional Development. The Proposed 2021-22 State Budget includes $315.3 million in Proposition 98 general fund resources for educator professional development. This funding includes $250 million of one-time Proposition 98 general fund resources for the Educator Effectiveness Block Grant to expedite professional development for teachers, administrators, and other in-person staff in high-need areas including accelerated learning, re-engaging students, restorative practices, and implicit bias training, and $50 million in one-time Proposition 98 general fund resources to create statewide resources and provide targeted professional development on social-emotional learning and trauma-informed practices.

- Investing in the Teacher Pipeline. The Proposed 2021-22 State Budget includes $225 million in one-time funding to improve the State's teacher pipeline. This funding includes $100 million in one-time non-Proposition 98 general fund resources for continued investment in the Golden State Teacher Grant Program which provides grants to students enrolled in teacher preparation programs who commit to working in high-need fields and at schools with high rates of under-prepared teachers, $100 million in one-time Proposition 98 resources to expand the Teacher Residency Program which supports clinical teacher preparation programs dedicated to preparing and retaining teachers in high-need communities and subject areas, and $25 million in one-time Proposition 98 resources to expand the Classified School Employees Credentialing Program which provides grants to local educational agencies to recruit non-certificated school employees to become certificated classroom teachers.

- Special Education. The Proposed 2021-22 State Budget includes $300 million in ongoing Proposition 98 general fund resources for the Special Education Early Intervention Grant to increase the availability of evidence-based services for infants, toddlers, and preschoolers. The Proposed 2021-22 State Budget also includes $5 million in one-time Proposition 98 general fund resources to establish professional learning networks to increase local educational agency capacity to access federal Medi-Cal funds.

- Community Schools. The Proposed 2021-22 State Budget includes $264.9 million in one-time Proposition 98 general fund resources to enable local educational agencies to expand existing networks of community schools, establish new community schools, and coordinate a wide range of services to these schools with priority given to schools in high-poverty communities.

- Student Mental Health. The Proposed 2021-22 State Budget includes $400 million in one-time funding, consisting of a mix of one-time federal and State general fund resources available over multiple years, for the Department of Health Care Services to implement an incentive program through Medi-Cal Managed Care Plans administered by county behavioral health departments and schools. Additionally, the Proposed 2021-22 State Budget also includes $25 million in one-time Mental Health Services Fund resources, available over multiple years, to expand the Mental Health Student Services Act Partnership Grant Program, which funds partnerships between county behavioral health departments and schools. Finally, the Proposed 2021-22 State Budget includes $25 million in ongoing Proposition 98 general fund resources to fund innovative partnerships with county behavioral health to support student mental health services.

- Early Learning. The Proposed 2021-22 State Budget includes $250 million in one-time Proposition 98 general fund resources, available over multiple years, to provide grants to local educational agencies that offer early access to transitional kindergarten ("TK") to help them cover up-front costs associated with expanding their TK programs. Additionally, to increase the number of highly qualified teachers available to serve TK students, the Proposed 2021-22 State Budget includes an increase of $50 million of one-time Proposition 98 general fund resources to support the preparation of TK teachers and provide both TK and kindergarten teachers with training in providing instruction in inclusive classrooms, support for English language learners, social-emotional learning, trauma-informed practices, restorative practices, and mitigating implicit biases. The Proposed 2021-22 State Budget also includes $200 million in one-time general fund resources for school districts to construct and retrofit existing facilities to support TK and full-day kindergarten programs.

The complete Proposed 2021-22 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

LAO Overview of Proposed 2021-22 State Budget. The Legislative Analyst's Office ("LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its report on the Proposed 2021-22 State Budget entitled "The 2021-22 Budget: Overview of the Governor's Budget" on January 10, 2021 (the "2021-22 Proposed Budget Overview"). In the 2021-22 Proposed Budget Overview, the LAO summarizes the condition of the Proposed 2021-22 State Budget and notes the State's improved fiscal picture amidst the ongoing COVID-19 pandemic. The LAO also highlights key features of the Proposed 2021-22 State Budget, which include a wide array of one-time programmatic spending and efforts to alleviate the impacts of the COVID-19 pandemic.

The LAO notes that, under the Proposed 2021-22 State Budget, the State would end fiscal year 2021-22 with approximately $18.91 billion in total reserves, representing an increase of $7.50 billion from the budgeted reserve level of $11.4 billion in fiscal year 2020-21 set forth in the 2020-21 State Budget. The increase in total reserves is the result of an estimated $3 billion required deposit into the State Rainy Day Fund, a $4.20 billion true-up deposit into the State Rainy Day Fund for fiscal years 2019-20 and 2020-21, and an increase in the discretionary SFEU of $267 million. The LAO summarizes that at the end of fiscal year 2021-22, the State Rainy Day Fund would reach a balance of approximately $15.57 billion, the SFEU would reach a balance of approximately $2.88 billion, and the Safety Net Reserve would contain a balance of approximately $450 million. Despite the overall increase in reserves, the LAO anticipates that the State will face large multiyear operating deficits if the State legislature adopts the Proposed 2021-22 State Budget. In particular, the LAO warns that the State would experience an operating deficit of $7.60 billion in fiscal year 2022-23 that would grow to $11.30 billion in fiscal year 2024-25. The LAO recommends that the State legislature begin to consider the ways in which the State might address the multiyear structural deficit, including, for example, by considering the use of discretionary spending to make supplemental pension payments.

The LAO estimates that the Governor had a $15.50 billion surplus to allocate in the Proposed 2021-22 State Budget, and that the Governor allocated approximately $8.10 billion to one-time or temporary spending, approximately $2.90 billion to the SFEU, approximately $2.50 billion to revenue reductions, approximately $1.30 billion to ongoing spending (the costs of which the LAO estimates will grow slightly over time to $1.40 billion by fiscal year 2024-25), and approximately $700 million to repay State debts and liabilities. The LAO comments that the Proposed 2021-22 State Budget provides a reasonable mix of one-time and ongoing spending. The LAO observes that most one-time spending is allocated to housing and homelessness, as well as natural resources and the environment, while most ongoing spending is allocated to health and behavioral health. The LAO notes that of the new spending specifically attributable to fiscal year 2021-22, the Proposed 2021-22 State Budget allocates $2.60 billion for ongoing commitments and

$2.90 billion for one-time activities. Combined with a $2.40 billion one-time deposit into the PSSSA, this one-time spending creates a budget cushion of $5.30 billion that helps protect ongoing programs from volatility in the Proposition 98 minimum guarantee. The LAO remarks that having a large one-time cushion is especially important in fiscal year 2021-22 given the continued and significant economic uncertainty caused by the ongoing COVID-19 pandemic.

The LAO observes that the 2020-21 State Budget addressed a $54 billion budget shortfall, which arose as a result of significant declines in expected revenues. Although such revenue estimates were reasonable at the time, the LAO notes that revenues have nearly returned to pre-COVID-19 pandemic levels while State costs have not risen as dramatically as expected. The LAO also calls attention to the fact that some of the State's actions in response to the COVID-19 pandemic (including making withdrawals from reserves and shifting costs) were larger than necessary and that the Proposed 2021-22 State Budget uses very little discretionary spending to restore budget resilience. While the LAO agrees that the State should remain focused on its response to the COVID-19 pandemic, it suggests that taking actions now to restore budget resilience is nonetheless important both to address the State's multiyear budget problem and to help the State weather the next unexpected downturn.

The LAO remarks that the Proposed 2021-22 State Budget offers the State legislature an opportunity to consider how the State can best use its resources to help it respond to and recover from the COVID-19 pandemic. In December 2020, the federal government passed a fifth round of pandemic relief, providing additional funding to most taxpayers, people receiving unemployment insurance benefits, renters, businesses, and schools. The Proposed 2021-22 State Budget includes a number of significant proposals that address overlapping needs relating to the COVID-19 pandemic. The LAO observes that while this overlap is understandable given the timing of the release of the Proposed 2021-22 State Budget, the State legislature should examine the Proposed 2021-22 State Budget in light of the new federal relief. Specifically, the LAO recommends that the State legislature determine how to best target State funds to those not already benefiting from the federal assistance, and strive to complement, rather than duplicate, the federal stimulus.

The Proposed 2021-22 State Budget includes $5 billion in actions that the Governor proposes the State legislature adopt in January and February 2021 ("Immediate Action Proposals"). The Governor's Immediate Action Proposals include $2 billion for in-person instruction grants to incentivize schools to offer in-person instruction for younger students and students with high needs, potentially as soon as February 16, 2021. The LAO is concerned this proposal sets unfeasible timelines and could discourage school district participation. Although it believes some additional State funding should be directed toward academic support and reopening schools, the LAO recommends allocating a larger share of one-time funds to paying down deferrals or mitigating future cost increases related to pensions. The Governor's Immediate Action Proposals also include providing $2.40 billion in tax refunds to low-income taxpayers, which the LAO believes could be more narrowly tailored to assist taxpayers using an Individual Taxpayer Identification Number; providing $550 million in small business grants, which the LAO agrees is worth considering given that the recent federal business assistance does not target businesses most heavily-impacted by the COVID-19 pandemic; and waiving fees for individuals and businesses directly affected by the State's stay-at-home orders, which the LAO assesses as reasonable.

The Proposed 2021-22 State Budget also includes $7.80 billion in actions that the Governor proposes the State legislature adopt in Spring 2021 ("Early Action Proposals"). The Governor's Early Action Proposals include additional academic support for disadvantaged students, emergency financial aid for community college students, and funding for various State housing and housing-related infrastructure programs. The LAO recommends that the State legislature evaluate each Early Action Proposal separately and offers a framework for legislators to conduct such evaluations. Ultimately, the LAO recognizes that making decisions with the benefit of knowing how COVID-19 vaccine distribution proceeds, how the State economy responds, how State revenues perform in the spring, and whether the federal government distributes additional funds to states will be very valuable for evaluating how to allocate the State's limited resources.

The 2021-22 Proposed Budget Overview is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted therein, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2021-22 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Proposed 2021-22 State Budget. In May, the Governor will revise the Proposed 2021-22 State Budget based on updated information available at such time. Such revision in May 2021 may also differ substantially from the Proposed 2021-22 State Budget. The final fiscal year 2021-22 State budget may be affected by national and State economic conditions and other factors which the District cannot predict, including the continued and evolving effects of the COVID-19 pandemic on State revenues that may in turn impact the educational funding that the District receives from the State. Accordingly, the District cannot provide any assurances that there will not be any changes in the final fiscal year 2021-22 State budget from the Proposed 2021-22 State Budget. The District cannot predict the impact that the final fiscal year 2021-22 State budget, or subsequent budgets, will have on its finances and operations.

Future Budgets and Budgetary Actions. The District cannot predict what future actions will be taken by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors beyond the District's ability to predict or control, including but not limited to the COVID-19 pandemic. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools during fiscal years 2020-21 and 2021-22 and in future fiscal years. Certain factors, like an economic recession, could result in State budget shortfalls in any fiscal year and could have a material adverse financial impact on the District. As the Series 2021 Bonds are payable from ad valorem property taxes, the State budget is not expected to have an impact on the payment of the Series 2021 Bonds.

School District Reserves. As described above, the 2020-21 State Budget projected that the State would need to access its reserves to mitigate the budget shortfall in fiscal year 2020-21, including drawing down all of the funds in the Public School System Stabilization Account. See "- 2020-21 State Budget." While the Proposed 2021-22 State Budget projects an improved economic outlook for the State that may even result in deposits into the Public School System Stabilization Account as opposed to drawdowns (see "- Proposed 2021-22 State Budget"), school districts may still need to access their local reserves in light of some of the unpredictability in State and federal funding. The District, which has an A.D.A. of less than 400,000, is required to maintain a reserve for economic uncertainty in an amount equal to 3% of its general fund expenditures and other financing uses. At the time of preparation of the District's first interim report for fiscal year 2020-21, the District projects it will meet the 3% statutory reserve requirement in fiscal years 2020-21 through 2022-23. Based on the District's first interim report for fiscal year 2020-21, the District projects it may need to access its reserves in fiscal years 2020-21 through 2022-23 to meet its obligations.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and community college districts through a local Educational Revenue Augmentation Fund ("ERAF") in each county. Local agencies, objecting to invasions of their local revenues by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the State Legislature proposed an amendment to the State

Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of an initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

The effect of Proposition 22 is to prohibit the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment, or local government projects and services. It prevents the State from redirecting redevelopment agency property tax increment to any other local government, including school districts, or from temporarily shifting property taxes from cities, counties and special districts to schools, as in the ERAF program. This is intended to, among other things, stabilize local government revenue sources by restricting the State's control over local property taxes. One effect of this amendment has been to deprive the State of fuel tax revenues to pay debt service on most State bonds for transportation projects, reducing the amount of State general fund resources available for other purposes, including education.

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert $1.935 billion in local property tax revenues in 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of $1.7 billion in local property tax revenues from local redevelopment agencies, which local redevelopment agencies have now been dissolved (see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Assembly Bill No. 26 & California Redevelopment Association v. Matosantos"). Redevelopment agencies had sued the State over this latter diversion. However, the lawsuit was decided against the California Redevelopment Association on May 1, 2010. Because Proposition 22 reduces the State's authority to use or shift certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget in some years – such as reducing State spending or increasing State taxes, and school and community college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

Allocation of State Funding to School Districts; Local Control Funding Formula. Prior to the implementation of the Local Control Funding Formula in fiscal year 2013-14, under California Education Code Section 42238 and following, each school district was determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance. The base revenue limit was calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district was the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increased due to growth in local property assessed valuation, the additional revenue was offset by a decline in the State's contribution; ultimately, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State equalization aid, and received only its special categorical aid, which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some equalization aid were commonly referred to as "revenue limit districts," which are now referred to as "LCFF districts." The District is a LCFF district.

Beginning in fiscal year 2013-14, the LCFF replaced the revenue limit funding system and most categorical programs, and distributes combined resources to school districts through a base grant ("Base Grant") per unit of average daily attendance ("A.D.A.") with additional supplemental funding (the "Supplemental Grant") allocated to local educational agencies based on their proportion of English language learners, students from low-income families and foster youth. The LCFF was projected to have an eight-year implementation program to incrementally close the gap between actual funding and the target level of funding, as described below, but achieved full implementation ahead of schedule in fiscal year 2018-19. The LCFF includes the following components:

- A Base Grant for each local education agency ("LEA"). The Base Grants are based on four uniform, grade-span base rates. For fiscal year 2020-21, the LCFF provided to school districts and charter schools: (a) a Target Base Grant for each LEA equivalent to $8,503 per A.D.A. for kindergarten through grade 3; (b) a Target Base Grant for each LEA equivalent to $7,818 per A.D.A. for grades 4 through 6; (c) a Target Base Grant for each LEA equivalent to $8,050 per A.D.A. for grades 7 and 8; (d) a Target Base Grant for each LEA equivalent to $9,572 per A.D.A. for grades 9 through 12. However, the amount of actual funding allocated to the Base Grant, Supplemental Grants and Concentration Grants will be subject to the discretion of the State. This amount includes an adjustment of 10.4% to the Base Grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in grades 9-12. The 2020-21 State Budget suspends the statutory cost-of-living adjustment in fiscal year 2020-21. For more information, see "-2020-21 State Budget."

- A 20% Supplemental Grant for the unduplicated number of English language 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 50% of a LEA's Base Grant, based on the number of English language learners, students from low-income families and foster youth served by the LEA that comprise more than 55% of enrollment.

- An Economic Recovery Target (the "ERT") that is intended to ensure that almost every LEA receives at least their pre-recession funding level (i.e., the fiscal year 2007-08 revenue limit per unit of A.D.A.), adjusted for inflation, at full implementation of the LCFF in fiscal year 2018-19. Upon full implementation in fiscal year 2018-19, LEAs now receive the greater of the Base Grant or the ERT.

Under LCFF, for community funded districts, local property tax revenues would be used to offset up to the entire allocation under the new formula. However, community funded districts would continue to receive the same level of State aid as allocated in fiscal year 2012-13.

Local Control Accountability Plans. A feature of the LCFF is a system of support and intervention for local educational agencies. School districts, county offices of education and charter schools are required to develop, implement and annually update a three-year LCAP. Each LCAP must be developed with input from teachers, parents and the community, and should describe local goals as they pertain to eight areas identified as state priorities, including student achievement, parent engagement and school climate, as well as detail a course of action to attain those goals. Moreover, the LCAPs must be designed to align with the district's budget to ensure adequate funding is allocated for the planned actions.

Typically, each school district must submit its LCAP annually on or before July 1 for approval by its county superintendent. The county superintendent then has until August 15 to seek clarification regarding the contents of the LCAP, and the school district must respond in writing. The county superintendent can submit recommendations for amending the LCAP, and such recommendations must be considered, but are not mandatory. A school district's LCAP must be approved by its county superintendent by October 8 of each year if such superintendent finds (i) the LCAP adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the strategies outlined in the LCAP.

Performance evaluations are to be conducted to assess progress toward goals and guide future actions. County superintendents are expected to review and provide support to the school districts under their jurisdiction, while the State Superintendent of Public Instruction performs a corresponding role for county offices of education. The California Collaborative for Education Excellence (the "Collaborative"), a newly established body of educational specialists, was created to advise and assist local education agencies in achieving the goals identified in their LCAPs. For local education agencies that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction would have authority to make changes to a local education agency's LCAP.

In response to the COVID-19 pandemic and the unique conditions under which many school districts are operating, Senate Bill 98, a budget trailer bill adopted in connection with the 2020-21 State Budget, revises certain annual LCAP requirements, removes the requirement for a traditional LCAP for the 2020-21 school year and replaces such requirement with what is referred to as a Learning Continuity and Attendance Plan (the "Learning Continuity and Attendance Plan"). The Learning Continuity and Attendance Plan seeks to address funding stability for schools while providing information at the LEA level describing how student learning continuity will be addressed during the COVID-19 pandemic in the 2020-21 school year. The Learning Continuity and Attendance Plan is intended to balance the needs of all stakeholders, including educators, parents, students, and community members, while streamlining meaningful stakeholder engagement. The Learning Continuity and Attendance Plan memorializes the planning process already underway for the 2020-21 school year, and includes plans for the following: (i) addressing gaps in learning; (ii) conducting meaningful stakeholder engagement; (iii) maintaining transparency; (iv) addressing the needs of unduplicated pupils, students with unique needs, and students experiencing homelessness; (v) providing access to necessary devices and connectivity for distance learning; (vi) providing resources and support to address student and staff mental health and social emotional well-being; and, (vii) continuing to provide school meals for students. Senate Bill 98 also requires school districts to approve a Parent Budget Overview, which was formerly an aspect of the prior LCAP reporting requirements. Accordingly, the Board adopted a Learning Continuity and Attendance Plan on September 17, 2020 and a Parent Budget Overview on December 17, 2020 and submitted such reports to the Santa Clara County Office of Education ("SCCOE").

Attendance and LCFF. The following table sets forth the District's actual A.D.A., enrollment (including percentage of students who are English language learners, from low-income families and/or foster youth (collectively, "EL/LI Students")), and targeted Base Grant per unit of A.D.A. for fiscal years 2015-16 through 2019-20, respectively, and the District's projected A.D.A., enrollment (including percentage of students are EL/LI Students), and targeted Base Grant per unit of A.D.A. for fiscal year 2020-21. The A.D.A. and enrollment numbers reflected in the following table include special education students served at District school sites, but exclude special education students served at County facilities and the charter school, Gilroy Prep Academy (defined and described further herein).

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Average Daily Attendance, Enrollment and Targeted Base Grant
Fiscal Years 2015–16 through 2020–21

Fiscal Year		A.D.A./Base Grant TK-3	4-6	7-8	9-12	Total A.D.A.	Enrollment[10] Total Enrollment	Unduplicated Percentage of EL/LI Students
2015-16	A.D.A.[1]:	3,172.87	2,436.74	1,699.43	3,593.75	10,902.79	11,435	59.17%
	Targeted Base Grant[2][3]:	$7,083	$7,189	$7,403	$8,578	–	–	–
2016-17	A.D.A.[1]:	3,136.77	2,511.27	1,660.60	3,624.63	10,933.27	11,483	59.33%
	Targeted Base Grant[2][4]:	$7,083	$7,189	$7,403	$8,578	–	–	–
2017-18	A.D.A.[1]:	3,117.01	2,498.65	1,661.69	3,622.87	10,900.22	11,290	59.73%
	Targeted Base Grant[2][5]:	$7,083	$7,189	$7,403	$8,578	–	–	–
2018-19	A.D.A.[1]:	3,033.85	2,509.62	1,545.80	3,583.12	10,672.39	11,118	59.37%
	Targeted Base Grant[2][6]:	$7,459	$7,571	$7,796	$9,034	–	–	–
2019-20	A.D.A.[1]:	3,025	2,503.56	1,537.24	3,549.32	10,615.12	11,135	58.30%
	Targeted Base Grant[2][7]:	$7,702	$7,818	$8,050	$9,329	–	–	–
2020-21[8]	A.D.A.[8]:	3,025	2,503.56	1,537.24	3,549.32	10,615.12	10,853	57.00%
	Targeted Base Grant[2][7]:	$7,702	$7,818	$8,050	$9,329	–	–	–

(1) A.D.A. for the second period of attendance, typically in mid-April of each school year, which does not reflect subsequent revisions related to days deemed later by the California Department of Education to have a "material decrease" in attendance or attendance at Saturday school.
(2) Such amounts represent the targeted amount of Base Grant per unit of A.D.A., and include the grade span adjustment, but do not include any supplemental and concentration grants under the LCFF. Such amounts were not expected to be fully funded in fiscal years shown above. However, the LCFF was fully implemented as of fiscal year 2018–19, two years ahead of its anticipated implementation.
(3) Targeted fiscal year 2015–16 Base Grant amount reflects a 1.02% cost-of-living adjustment from targeted fiscal year 2014–15 Base Grant amounts.
(4) Targeted fiscal year 2016–17 Base Grant amount reflects a 0.00% cost-of-living adjustment from targeted fiscal year 2015–16 Base Grant amounts.
(5) Targeted fiscal year 2017–18 Base Grant amount reflects a 1.56% cost-of-living adjustment from targeted fiscal year 2016–17 Base Grant amounts.
(6) Targeted fiscal year 2018–19 Base Grant amount reflects a 3.70% cost-of-living adjustment from targeted fiscal year 2017–18 Base Grant amounts. This "super COLA" amount was authorized by the 2018–19 State Budget and exceeds the statutory 2.71% cost-of-living adjustment.
(7) Targeted fiscal year 2019–20 Base Grant amount reflects a 3.26% cost-of-living adjustment from targeted fiscal year 2018–19 Base Grant amounts.
(8) Figures are estimates.
(9) Targeted fiscal year 2020-21 Base Grant amount reflects a 0% cost-of-living adjustment from targeted fiscal year 2019–20 Base Grant amounts.
(10) Reflects enrollment as of October report submitted to the California Longitudinal Pupil Achievement Data System. A school district's percentage of unduplicated EL/LI Students is based on a rolling average of such school district's EL/LI Students enrollment for the then-current fiscal year and the two immediately preceding fiscal years. The District currently expects enrollment to continue to decline.
Source: Gilroy Unified School District.

The District received approximately $114.74 million in aggregate revenues reported under LCFF sources in fiscal year 2019–20 and has projected to receive approximately $111.65 in aggregate revenues reported under LCFF sources in fiscal year 2020–21 (or approximately 76.09% of its general fund revenues in fiscal year 2020–21). Such amount includes supplemental grants and concentrated grants for targeted groups projected at approximately $10.72 million and $1.47 million, respectively, in fiscal year 2020–21.

Infectious Disease Outbreak. In general, the outbreak of a highly contagious disease or epidemic disease could harm the District's financial results or result in a temporary shutdown of the District's facilities. As discussed above, school districts in California are funded based on the LCFF, which allocates a base grant per unit of average daily attendance with additional supplemental grants based on certain factors. See "–Allocation of State Funding to School District; Local Control Funding Formula." Thus, a temporary shutdown of a school or an entire school district would reduce the average daily attendance and could impact the funding a school district receives unless the State legislature or California Department of Education takes action to exclude such days from the calculations for funding purposes. Further, any impact on the State's tax and other revenue receipts as a result of a highly contagious or epidemic disease may in turn impact other educational funding that the District receives from the State. See "–Future Budgets and Budgetary Actions." In addition, the District may incur increased operational costs to conduct distance learning or to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease.

COVID-19 Background. The outbreak of the respiratory disease caused by COVID-19 has been declared a pandemic by the World Health Organization, a national emergency by President Trump and a state of emergency by the Governor of the State.

Federal Response. On March 22, 2020, President Trump approved the Major Disaster Declaration for the State of California's COVID-19 pandemic, authorizing federal emergency aid related to COVID-19. Local educational agencies may submit a request for public assistance through the California Office of Emergency Services for reimbursement of certain costs incurred as a result of COVID-19. The District has not submitted a request for public assistance.

On March 27, 2020, the U.S. House of Representatives approved and President Trump signed into law the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act"). The CARES Act provides $30 billion to education, specifically $3 billion allocated to state governors to be used at their discretion to address the emergency, $13.5 billion for K-12 education, and $14.25 billion for postsecondary institutions. School districts will be able to use their share of the $13.5 billion K-12 education allocation under the CARES Act, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses.

The District expects to receive approximately $9.8 million under the CARES Act, which includes approximately $1.5 million from the Elementary and Secondary Schools Emergency Relief Fund provided directly from the federal government to the District, approximately $6.6 million from the Coronavirus Relief Fund for learning loss mitigation provided from CARES Act funding administered through the State, approximately $667,000 from the Governor's Emergency Education Relief Fund for learning loss mitigation provided from CARES Act funding administered through the State, and approximately $909,000 from the State's general fund for learning loss litigation provided from CARES Act funding administered through the State. The District has received approximately $9 million under the CARES Act in September 2020. The District anticipates receiving the remainder of the CARES Act funding during fiscal year 2020-21.

On December 28, 2020, the United States Congress approved and President Trump signed into law the Consolidated Appropriations Act, 2021 ("HR 133"), which includes a $900 billion COVID-19 relief package. HR 133 provides $81.9 billion to education, specifically $4.1 billion allocated to state governors to be used at their discretion to address the emergency, of which $2.75 billion is reserved for private K-12 education, $54.3 billion for K-12 education, $22.7 billion for postsecondary institutions, and $819 million for outlying areas and Bureau of Indian Affairs schools. School districts will be able to use their share of the $54.3 billion K-12 education allocation under HR 133, which will be based on the proportion of Title I funding received for the most recent fiscal year, for purposes authorized by federal law and other specified uses. The District expects to receive approximately $6.34 million under HR 133 during fiscal year 2020-21.

State Legislation Relating to School Districts. On March 17, 2020, the Governor signed Senate Bill 117 ("SB 117") as urgency legislation effective immediately. For purposes of school district funding for fiscal year 2019-20, SB 117 limits the average daily attendance reported to the California Department of Education to include the full school months from July 1, 2019, to February 29, 2020. This condensed ADA period applies to school districts that comply with Executive Order N-26-20, which provides that school districts that initiate a school closure to address COVID-19 will continue to receive State funding to support certain enumerated school functions during the period of closure. SB 117 further states the intent of the State Legislature that a school district's employees and contractors are paid during the period of a school closure due to COVID-19. SB 117 also waives instructional time penalties that would otherwise accrue, as long as the school district superintendent, county superintendent or charter school administrator certify that the closure due to COVID-19 caused the school district to fall below applicable instructional time requirements. SB 117 also includes $100 million in additional funding to school districts for certain costs incurred as a result of COVID-19. The District received $185,792 from such additional State funding in fiscal year 2019-20.

On December 30, 2020, the Governor released his Safe Schools for All Plan ("Safe Schools Plan"), a $2 billion incentive grant program which provides additional funding and resources to school districts returning to in-person education, with a priority for students who are younger (TK-2) and most disproportionately impacted by the COVID-19 pandemic. Qualifying school districts must be located in counties with a COVID-19 transmission rate below 28 per 100,000 residents and must submit their COVID-19 safety plan, which is approved by their school employee unions and meets the new Cal/OSHA regulations, to their county office of education. The Safe Schools Plan provides participating school districts with a one-time grant of $450 per student, with an additional amount of up to $250 per student based on the number of low-income students, English learners and foster youth. Further, the Safe Schools Plan focuses on implementing safety and mitigation measures such as frequent testing for all school students and staff, the distribution and enforcement of personal protective equipment for all students and staff in school, improved contact tracing, and prioritized vaccinations for school staff. Additionally, the Safe Schools Plan provides oversight and accountability by assisting school districts to develop and implement their COVID-19 safety plans and responding to reports and concerns by school staff and parents. The Safe Schools Plan awaits approval by the State Legislature.

District Response. As a result of the outbreak of COVID-19, the District closed its schools for in-person instruction in March 2020 for the remainder of the 2019-20 school year and implemented a distance learning model. On August 12, 2020, the District started the 2020-21 school year using the distance learning model, and the District continues to utilize the distance learning model. The District opened four Distance Learning Centers in October 2020 and added a fifth site in November 2020. The purpose of these Learning Centers is to support students who live in areas in which District provided hotspots do not obtain sufficient reception to support distance learning by providing interest access so that students can access the zoom platform for distance learning. Approximately 200 students are attending Distance Learning Centers.

In fiscal year 2019-20, the District recorded $935,102 in COVID-19 related expenditures, largely resulting from increased expenditures for personal protective equipment, support for food service staff, and extra custodial hours for disinfecting and deep cleaning. In fiscal year 2020-21, the District is projecting approximately $7.80 million for additional COVID-19 related expenditures to support distance learning (by purchasing 6,000 chromebooks and 1,300 hotspots), purchase additional cleaning and disinfect supplies, personal protective equipment, and signage for complying with social distancing guidelines. The District has been allocated approximately $9.8 million in one-time funds under the CARES Act, $6.34 million in one-time funds under HR 133, and $185,792 in one-time funds under SB 117 to mitigate the impact of COVID-19 during fiscal years 2019-20 and 2020-21, which the District currently expects will mitigate the impact of the increased expenditures relating to COVID-19

While the CARES Act, HR 133, and SB 117 have provided and will continue to provide some immediate relief to school districts, including the District, and the Safe Schools Plan may provide additional relief, the short-term and long-term impacts of the COVID-19 outbreak are unknown as the situation is rapidly evolving. The District cannot predict whether similar legislation would be enacted in the event the outbreak of COVID-19 continues or a similar or other outbreak of a highly contagious disease or epidemic disease were to occur in the future.

Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each 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. California Education Code Section 42238(h) itemizes the local revenues that are counted towards the amount allocated under the LCFF (and formerly, the base revenue limit) before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to receive. Prior to the implementation of the LCFF, a school district whose local property tax revenues exceeded its base revenue limit was entitled to receive no State aid, and received only its special categorical aid which is deemed to include the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the Constitution. Such districts were known as "basic aid districts," which are now referred to as "community funded districts." School districts that received some State equalization aid were commonly referred to as "revenue limit districts." The District was a revenue limit district and is now referred to as a LCFF district.

Under the LCFF, local property tax revenues are used to offset up to the entire State aid collection under the new formula; however, community funded districts would continue to receive, at a minimum, the same level of State aid as allotted in fiscal year 2012-13. See "State Funding of Education; State Budget Process -Allocation of State Funding to School Districts; Local Control Funding Formula" for more information about the LCFF.

Local property tax revenues are projected to account for approximately 50.62% of the District's aggregate revenues reported under LCFF sources and are projected to be approximately $56.52 million, or 38.52% of total general fund revenues in fiscal year 2020-21.

For information about the property taxation system in California and the District's property tax base, see "- Property Taxation System," "-Assessed Valuation of Property Within the District," and "-Tax Charges and Delinquencies" under the caption "SECURITY AND SOURCE OF PAYMENT FOR THE SERIES 2021 BONDS" in the front portion of the Official Statement.

For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS" below.

Effect of Changes in Enrollment. Changes in local property tax income and A.D.A. affect LCFF districts and community funded districts differently.

In LCFF districts, such as the District, increasing enrollment increases the total amount distributed under the LCFF and thus generally increases a district's entitlement to State equalization aid, while increases in property taxes do nothing to increase district revenues, but only offset the State funding requirement of equalization aid. Operating costs increase disproportionately slowly to enrollment growth; and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools.

In community funded districts, the opposite is generally true: increasing enrollment increases the amount to which the district would be entitled were it a LCFF district, but since all LCFF income (and more) is already generated by local property taxes, there is no increase in State income, other than the $120 per student in basic aid, as described above. Meanwhile, as new students impose increased operating costs, property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

Other District Revenues

Federal Revenues. The federal government provides funding for several District programs, including special education programs. Federal revenues, most of which are restricted, comprise approximately 11.28% (or approximately $16.56 million) of the District's general fund projected revenues for fiscal year 2020-21.

Other State Revenues. In addition to State apportionments for Proposition 98 funding through the Local Control Funding Formula, the District receives other State revenues, consisting primarily of restricted revenues designed to implement State mandated programs. Beginning in fiscal year 2013-14, categorical spending restrictions associated with a majority of State mandated programs were eliminated, and funding for these programs was folded into LCFF. Categorical funding for certain programs was excluded from LCFF, and school districts will continue to receive restricted State revenues to fund these programs. Other State revenues comprise approximately 9.10% (or approximately $13.36 million) of the District's general fund projected revenues for fiscal year 2020-21.

A portion of such other State revenues are amounts the District expects to receive from State lottery funds, a portion of which may not be used for non-instructional purposes, such as the acquisition of real property, the construction of facilities, or the financing of research. School districts receive lottery funds proportional to their total A.D.A. The District projects to receive approximately $2.10 million in State lottery revenue for fiscal year 2020-21.

Other Local Revenues. In addition to ad valorem property taxes, the District receives additional local revenues from sources, such as interest income, leases and rentals, educational foundations, donations and sales of property. Other local revenues comprise approximately 3.52% (or approximately $5.17 million) of the District's general fund projected revenues for fiscal year 2020-21.

Charter Schools

Charter schools are largely independent schools operating as part of the public school system created pursuant to Part 26.8 (beginning with Section 47600) of Division 4 of Title 2 of the California Education Code (the "Charter School Law"). A charter school is usually created or organized by a group of teachers, parents and community leaders, or a community-based organization, and may be approved by an existing local public school district, a county board of education or the State Board of Education. A charter school is generally exempt from the laws governing school districts, except where specifically noted in the law. The Charter School Law acknowledges that among its intended purposes are to (a) provide parents and students with expanded choices in the types of educational opportunities that are available within the public school system, (b) hold schools accountable for meeting measurable pupil outcomes and provide schools a way to shift from a rule-based to a performance-based system of accountability, and (c) provide competition within the public school system to stimulate improvements in all public schools.

A school district has certain fiscal oversight and other responsibilities with respect to both dependent and independent charter schools. However, independent charter schools that receive their funding directly from the State are generally not included in a school district's financial reports and audited financial statements and function like independent agencies, including having control over their staffing and budgets, which are received directly from the State. Dependent charter schools receive their funding from the school district and would generally be included in the school district's financial reports and audited financial statements.

There is currently one charter school, Gilroy Prep Academy/Navigator School ("Gilroy Prep Academy"), operating in the District. Gilroy Prep Academy is an independent charter school and operates under authorization from the District. Gilroy Prep Academy serves grades kindergarten through eighth grade. Enrollment in fiscal year 2019-20 was 537 students and is projected to be approximately 516 students in fiscal year 2020-21. The District's audited financial statements for fiscal year 2019-20, which are included as Appendix B, do not include the operations of Gilroy Prep Academy.

The District can make no representation as to whether enrollment at such charter school may increase at the expense of District enrollment in future years, whether additional charter schools will be established within the territory of the District, or as to the impact these or other charter school developments may have on the District's A.D.A. or finances in future years.

Significant Accounting Policies and Audited Financial Statements

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K-12 districts. Financial transactions are accounted for in accordance with the Department of Education's California School Accounting Manual. This manual, according to Section 41010 of the Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District's audited financial statements for the fiscal year ended June 30, 2020, which are included as Appendix B.

Independently audited financial statements are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year. Typically, school districts in the State are required to file their audited financial statements for the preceding fiscal year with the State Controller's Office, the State Superintendent of Public Instruction, and the county superintendent of schools by December 15 of each year. In response to the COVID-19 pandemic and the challenges it presents for school district operations, Senate Bill 98 (Chapter 24, enacted on June 29, 2020, as an urgency bill) provides, among other things, that a school district's audited financial statements for fiscal year 2019-20 are not due until March 31, 2021.

The following tables contain data abstracted from financial statements prepared by the District's independent auditor, James Marta & Company LLP, Certified Public Accountants, Sacramento, California for fiscal years 2015-16 through 2019-20.

James Marta & Company LLP has not been requested to consent to the use or to the inclusion of its reports in this Official Statement, and it has neither audited nor reviewed this Official Statement.

The table on the following page sets forth the statement of revenues, expenditures and changes in fund balances for the District's general fund for fiscal years 2015-16 through 2019-20.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
REVENUES					
LCFF Sources	$94,762,947	$102,732,634	$104,363,166	$110,001,780	$114,739,891
Federal revenue	6,848,493	6,537,413	6,670,896	6,939,127	7,303,118
Other state revenues	15,086,496	12,246,189	11,532,820	17,920,316	13,060,268
Other local revenues	3,543,846	2,813,216	2,378,504	2,151,969	1,732,689
Total revenues	120,241,782	124,329,452	124,945,386	137,013,192	136,835,966
EXPENDITURES					
Certificated salaries	51,179,423	52,616,887	53,579,966	54,124,609	53,144,959
Classified salaries	16,660,800	17,697,290	18,464,661	19,017,957	18,895,680
Employee benefits	20,274,515	24,520,886	26,039,433	33,215,578	31,794,469
Books and supplies	4,388,955	6,551,093	7,239,594	5,803,773	4,456,210
Services and other operating expenditures	13,093,569	15,535,833	17,893,854	17,547,871	15,472,555
Capital outlay	1,483,298	1,263,884	697,119	456,411	238,337
Other outgo	2,194,903	2,613,495	3,145,435	3,321,881	3,398,274
Debt service expenditures	42,235	57,870	55,806	57,443	39,135
Total Expenditures	109,317,698	120,857,238	127,115,868	133,545,523	127,439,619
Excess of revenues over expenditures	10,924,084	3,472,214	(2,170,482)	3,467,669	9,396,347
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	-	-	-	-
Operating transfers out	(131,042)	(203,429)	-	-	-
Other sources	-	-	-	-	-
Other uses	–	–	–	–	–
Other financing sources (uses)	(131,042)	(203,429)	–	–	–
Net change in fund balances	10,793,042	3,268,785	(2,170,482)	3,467,669	9,396,347
Fund balances, July 1	10,585,990	21,379,032	24,647,817	22,477,335	25,945,004
Fund balances, June 30	$21,379,032	$24,647,817	$22,477,335	$25,945,004	$35,341,351

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Source: Gilroy Unified School District Audited Financial Statements for fiscal years 2015-16 through 2019-20.

The following table sets forth the general fund balance sheet of the District for fiscal years 2015-16 through 2019-20.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Summary of General Fund Balance Sheet
Fiscal Years 2015-16 through 2019-20

	Fiscal Year 2015-16	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Fiscal Year 2019-20
ASSETS					
Cash and cash equivalents	$19,528,854	$24,460,235	$25,316,070	$25,643,787	$26,850,810
Accounts receivable	6,412,072	3,700,632	2,987,449	5,331,860	10,678,286
Stores	74,170	65,966	73,817	-	-
Other assets	-	-	-	-	-
Prepaid expenses	895	6,850	3,335	-	-
Due from other funds	662,906	892,220	616,703	624,000	764,091
Total assets	$26,678,897	$29,125,903	$28,997,374	$31,599,647	$38,293,187
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$4,271,030	$3,018,015	$5,204,166	$4,862,633	$2,087,752
Due to other funds	183,703	203,930	-	56,402	-
Unearned revenue	845,132	1,256,141	1,315,873	735,608	864,084
Total liabilities	5,299,865	4,478,086	6,520,039	5,654,643	2,951,836
Fund balances					
Nonspendable	100,065	122,816	127,152	50,000	50,000
Restricted	3,210,815	3,814,321	3,135,458	3,542,880	4,246,032
Committed	-	-	-	-	-
Assigned	4,828,364	5,964,742	5,679,206	5,749,280	7,131,121
Unassigned	13,239,788	14,745,938	13,535,519	16,602,844	23,914,198
Total fund balances	21,379,032	24,647,817	22,477,335	25,945,004	35,341,351
Total liabilities and fund balances	$26,678,897	$29,125,903	$28,997,374	$31,599,647	$38,293,187

Source: Gilroy Unified School District Audited Financial Statements for fiscal years 2015-16 through 2019-20.

District Budget Process and County Review

Budget Process. 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 County of Santa Clara Superintendent of Schools.

The county superintendent must review and approve, conditionally approve or disapprove the budget no later than September 15. The county superintendent is required to examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance with the established standards. In the event that the county superintendent conditionally approves or disapproves the school district's budget, the county superintendent will submit to the governing board of the school district no later than September 15 of such year written recommendations regarding revisions of the budget and the reasons for the recommendations, including, but not limited to, the amounts of any budget adjustments needed before the county superintendent can approve that budget.

The governing board of the school district, together with the county superintendent, must review and respond to the recommendations of the county superintendent on or before October 8 at a regular meeting of the governing board of the school district. The county superintendent will examine and approve or disapprove of the revised budget by November 8 of such year. If the county superintendent disapproves a revised budget, the county superintendent will call for the formation of a budget review committee. By December 31 of each year, every school district must have an adopted budget, or the Superintendent of Public Instruction (the "State Superintendent") may impose a budget and will report such school district to the State Legislature and the Department of Finance.

Subsequent to approval, the county superintendent will monitor each school district under its jurisdiction throughout the fiscal year pursuant to its adopted budget to determine on an ongoing basis if the school district can meet its current or subsequent year financial obligations.

If, after taking various remedial actions, the county superintendent determines that a school district cannot meet its current or the subsequent year's obligations, the county superintendent will notify the school district's governing board, the State Superintendent and the president of the State board (or the president's designee) of the determination and take at least one of the following actions, and all actions that are necessary to ensure that the school district meets its financial obligations: (a) develop and impose, after also consulting with the State Superintendent and the school district's governing board, revisions to the budget that will enable the school district to meet its financial obligations in the current fiscal year, (b) stay or rescind any action inconsistent with the ability of the school district to meet its obligations for the current or subsequent fiscal year, (c) assist in developing, in consultation with the school district's governing board, a financial plan that will enable the school district to meet its future obligations, (d) assist in developing, in consultation with the school district's governing board, a budget for the subsequent fiscal year, and (e) as necessary, appoint a fiscal advisor to perform the aforementioned duties. The county superintendent will also make a report to the State Superintendent and the president of the State board or the president's designee about the financial condition of the school district and the remedial actions proposed by the county superintendent. 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.

Interim Reporting. A State law adopted in 1991 (known as "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 and the Education Code (Section 42100 et seq.), each school district is required to file two 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, based on then current projections, will meet its financial obligations for the current fiscal year and the subsequent two fiscal years. A negative certification is assigned to any school district that, based on then current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that, based on then current projections, will not meet its financial obligations for the current fiscal year or the two subsequent fiscal years. A certification may be revised to a negative or qualified certification by the county superintendent, as appropriate. A school district that receives a qualified or negative certification for its second interim report must provide to the county superintendent, the State Controller and the State Superintendent no later than June 1, financial statement projections of the school district's fund and cash balances through June 30 for the period ending April 30.

Any school district that receives 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 and revenue anticipation notes, revenue bonds or any other debt instruments that do not require the approval of the voters of the school district, unless the county superintendent determines that the school district's repayment of indebtedness is probable. In the past five years, the District has not received a qualified or negative certification for an interim financial report.

County and State Response to School Districts Under Financial Distress. For school districts under fiscal distress, the county superintendent is authorized to take a number of actions to ensure that the school district meets its financial obligations, including budget revisions. However, the county superintendent is not authorized to approve any diversion of revenue from ad valorem property taxes levied to pay debt service on district general obligation bonds. A school district that becomes insolvent may, upon the approval of a fiscal plan by the county superintendent, request an emergency appropriation from the State, in which case the county superintendent, the State Superintendent and the president of the State board or the president's designee will appoint a trustee to serve the school district until it has adequate fiscal systems and controls in place. The acceptance by a school district of an emergency apportionment exceeding 200% of the reserve recommended for that school district constitutes an agreement that the county superintendent will assume control of the school district in order to ensure the school district's return to fiscal solvency.

In the event the State elects to provide an emergency apportionment to a school district, such apportionment will constitute an advance payment of apportionments owed to the school district from the State School Fund and the Education Protection Account. The emergency apportionment may be accomplished in two ways. First, a school district may participate in a two-part financing in which the school district receives an interim loan from the State general fund, with the agreement that the school district will subsequently enter into a lease financing with the California Infrastructure and Economic Development Bank for purposes of financing the emergency apportionment, including repaying such amounts advanced to the State general fund. State law provides that so long as bonds from such lease financing are outstanding, the recipient school district (via its administrator) cannot file for bankruptcy. As an alternative, a school district may receive an emergency apportionment from the State general fund that must be repaid in 20 years. Each year, the State Superintendent will withhold from the apportionments to be made to the school district from the State School Fund and the Education Protection Account an amount equal to the emergency apportionment repayment that becomes due that year. The determination as to whether the emergency apportionment will take the form of a lease financing or an emergency apportionment from the State general fund will be based upon the availability of funds within the State general fund.

District's Fiscal Year 2020-21 Budget and First Interim Report. The District's original adopted budget for fiscal year 2020-21, which is included in the table below and described throughout this Appendix A, reflects the assumptions contained in the Governor's May revision to the proposed fiscal year 2020-21 State budget, which were significantly revised in the 2020-21 State Budget. After analyzing the revised assumptions included in the 2020-21 State Budget, District officials presented a revised fiscal year 2020-21 budget, which included the suspension of the COLA, increased LCFF funding, additional one-time CARES Act revenues to assist with the impact of the COVID-19 pandemic, and the deferral of State apportionments.

Given the rapidly evolving nature of the COVID-19 pandemic and the uncertainty of additional federal funding and its impact on the 2020-21 State Budget, even with the updates summarized above, the District's budget for fiscal year 2020-21 is subject to change throughout the current fiscal year as additional information becomes available.

The District also continues to revise its projections of revenues, expenditures, and ending fund balances as more financial data becomes available throughout the year. Accordingly, the District's first interim projections for fiscal year 2020-21 reflect actual financial data for the period ending October 31, 2020 and projections for the remainder of fiscal year 2020-21 based on such data. The District's first interim projections for fiscal year 2020-21, which were adopted by the Board on December 17, 2020, are also included in the table below and described throughout this Appendix A. The District expects that its second interim report for fiscal year 2020-21 will be available on or about March 18, 2021.

The table on the following page sets forth the District's adopted general fund budgets for fiscal years 2018-19 through 2020-21, unaudited actuals for fiscal years 2018-19 and 2019-20, and first interim report for fiscal year 2020-21.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
General Fund Budgets for Fiscal Years 2018-19 through 2020-21, Unaudited Actuals for Fiscal Years 2018-19 and 2019-20 and First Interim Report for Fiscal Year 2020-21

	2018-19 Original Adopted Budget	2018-19 Unaudited Actuals[1]	2019-20 Original Adopted Budget	2019-20 Unaudited Actuals[1]	2020-21 Original Adopted Budget	2020-21 First Interim Report[2][3]
REVENUES						
LCFF Sources	$108,423,647.00	$110,001,781.52	$111,078,668.00	$114,739,890.19	$103,303,843.00	$111,654,909.00
Federal Revenue	6,207,026.76	6,939,127.42	6,756,951.57	7,303,119.56	8,371,707.36	16,557,093.11
Other State Revenue	11,916,673.69	17,920,316.12	9,620,840.19	13,060,268.74	10,254,276.97	13,359,715.01
Other Local Revenue	1,484,455.01	2,151,960.92	1,490,321.30	1,732,684.20	3,101,896.58	5,167,561.56
TOTAL REVENUES	128,031,802.46	137,013,185.98	128,946,781.06	136,835,962.69	125,031,723.91	146,739,278.68
EXPENDITURES						
Certificated Salaries	54,152,546.43	54,124,609.51	54,664,067.57	53,144,957.12	55,234,544.88	56,436,454.24
Classified Salaries	19,035,087.31	19,017,957.72	19,475,733.32	18,895,679.75	19,979,001.77	20,590,397.36
Employee Benefits	29,773,927.56	33,215,577.46	31,022,132.72	31,794,466.64	32,496,779.05	32,148,530.84
Books and Supplies	5,553,338.15	5,803,773.05	5,482,292.66	4,456,211.43	4,383,032.42	19,481,002.10
Services, Other Operating Expenses	13,216,604.79	17,547,870.02	15,594,885.48	15,472,555.19	14,359,976.51	22,246,424.81
Capital Outlay	414,752.35	456,410.82	632,486.98	238,336.88	352,325.33	1,375,098.45
Other Outgo (excluding Direct Support/Indirect Costs)	3,843,244.88	3,705,660.63	3,961,875.18	3,764,028.19	4,428,674.71	4,242,383.95
Transfers of Direct Support/Indirect Costs	(221,729.00)	(326,337.23)	(193,570.67)	(326,623.39)	(231,232.05)	(233,823.05)
TOTAL EXPENDITURES	125,767,772.47	133,545,521.98	130,639,903.24	127,439,611.81	131,003,102.62	156,286,468.70
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,264,029.99	3,467,664.00	(1,693,122.18)	9,396,350.88	(5,971,378.71)	(9,547,190.02)
OTHER FINANCING SOURCES (USES)						
Inter-fund Transfers In	-	-	-	-	-	-
Inter-fund Transfers Out	(103,217.00)	-	-	-	-	(1,437,984.93)
Other Sources (Uses)	-	-	-	-	-	-
Contributions	–	–	–	–	–	–
TOTAL, OTHER FINANCING SOURCES (USES)	(103,217.00)	-	-	-	-	(1,437,984.93)
NET INCREASE (DECREASE) IN FUND BALANCE	2,160,812.99	3,467,664.00	(1,693,122.18)	9,396,350.88	(5,971,378.71)	(10,985,174.95)
BEGINNING BALANCE, as of July 1	13,090,028.52	22,477,339.71	12,490,335.24	25,945,003.71	18,701,856.89	35,341,354.59
Audit Adjustments[1]	-	-	-	-	-	-
As of July 1 – Audited	13,090,028.52	22,477,339.71	12,490,335.24	25,945,003.71	18,701,856.89	35,341,354.59
Other Restatements	-	-	-	-	-	-
Adjusted beginning Balance	13,090,028.52	22,477,339.71	12,490,335.24	25,945,003.71	18,701,856.89	35,341,354.59
ENDING BALANCE	$15,250,841.51	$25,945,003.71	$10,797,213.06	$35,341,354.59	$12,730,478.18	$24,356,179.64
Unrestricted Balance	$15,250,841.51	$22,402,123.98	$10,797,213.06	$32,030,424.15	$12,730,478.18	$24,356,179.64
Restricted Balance	-	$3,542,879.73	-	$3,310,930.44	-	-

(1) Total amounts do not match the District's Statement of Revenues, Expenditures and Changes in Fund Balances in its audited financial statements because the amounts reflected in such Statement in the District's audited financial statements include the financial activity of the Special Reserve for Other Than Capital Outlay Projects, Adult Education Fund and Deferred Maintenance Funds, in accordance with GASB Statement No. 54, which funds are not included in the District's internal financial reports.

(2) The District projects a transfer of approximately $1.44 million from the general fund to the food service fund to support the District's food service program during the COVID-19 pandemic.

(3) Figures are projections.

Source: Gilroy Unified School District adopted general fund budgets for fiscal years 2018-19 through 2020-21; unaudited actuals for fiscal years 2018-19 and 2019-20; and first interim report for fiscal year 2020-21.

District Debt Structure

Long-Term Debt Summary. A schedule of changes in the District's long-term obligations for the year ended June 30, 2020, consisted of the following:

Long-Term Debt	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Amount Due Within One Year
General Obligation Bonds[1]	$280,790,728	$124,765,082	$117,500,635	$288,055,175	$9,355,000
Certificates of Participation	25,110,000	-	865,000	24,245,000	880,000
Accumulated vacation	106,499	26,084	-	132,583	-
Net Pension Liability	127,337,627	4,884,659	–	132,222,286	–
Total - Bonds	433,344,854	129,675,825	118,365,635	444,655,044	10,235,000
Unamortized general obligation bond premium	18,324,905	-	8,523,944	9,800,961	-
Unamortized certificates of participation premium	1,956,983	-	108,220	1,848,763	-
Unamortized Loss on Refunding	(7,515,107)	(9,092,913)	–	(16,608,020)	–
Total Long-Term Debt[2]	$446,111,635	$120,582,912	$126,997,799	$439,696,748	$10,235,000

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(1) Excludes the Series 2021 Bonds.

(2) Excludes the Lease Leaseback Agreement (as defined and described below).

Source: Gilroy Unified School District Audited Financial Statements for fiscal year 2019-20.

General Obligation Bonds. Prior to the issuance of the Series 2021 Bonds, the District has outstanding six series of general obligation bonds, each of which is secured by ad valorem taxes levied upon all property subject to taxation by the District on a parity with the Series 2021 Bonds.

See "THE SERIES 2021 BONDS – Outstanding Bonds" and "– Aggregate Debt Service" in the front portion of this Official Statement for more information about such outstanding bonds.

Certificates of Participation. At an election held in the District on June 4, 1974, voters of the District approved the levy of an ad valorem tax rate override of 25.5¢ per $100 of assessed valuation, authorized to be used to pay rent under a lease for certain school facilities. On November 3, 1992, voters reauthorized the use of the tax for additional projects and reduced the rate to 7.05¢ per $100 of assessed valuation (under a proposition known as "Measure J"), which may be levied as needed through fiscal year 2010-11. The series of certificates of participation issued in 2001, 2004 and 2007 described below represent a general fund obligation of the District; however, the proceeds of the tax were lawfully available and used and sufficient to pay all such obligations.

In June 2001, the District caused certificates of participation to be executed and delivered in the principal amount of $31,250,000 with interest rates ranging from 2.90% to 5.50% per year, in order to refund an outstanding issue of certificates of participation and provide new construction funds for Measure J capital projects. On September 1, 2011 the outstanding principal balance of $7,210,000 was paid off.

In March 2004, the District caused certificates of participation to be executed and delivered in the principal amount of $8,550,000, maturing in 2013, with interest rates ranging from 2.50% to 3.0% per year, in order to provide construction funds for Measure J capital projects. On September 1, 2011 the outstanding principal balance of $1,925,000 was paid off.

In July 2007, the District caused certificates of participation to be executed and delivered in the principal amount of $5,725,000 with interest rates ranging from 4.50% to 5.00% per year, maturing on September 1, 2012, in order to provide construction funds for Measure J capital projects. The final payment with respect to such certificates of participation was made on September 1, 2012, and the principal balance has been paid off.

In May 2008, the District caused the certificates of participation to be executed and delivered in the principal amount of $33,000,000 with interest rates ranging from 3.75% to 5.25% per year, payable through April 1, 2039, in order to provide construction funds for Christopher High School (the "2008 COPs"). These certificates of participation represent a general fund obligation of the District that is not payable with Measure J tax proceeds.

In July 2016, the District caused refunding certificates of participation (the "2016 Refunding COPs") to be executed and delivered in the principal amount of $27,870,000 with interest rates ranging from 2.00% to 4.00% in order to prepay the 2008 COPs. These certificates of participation represent a general fund obligation of the District that is not payable with Measure J tax proceeds.

The aggregate annual repayment obligation for such certificates of participation as of June 30, 2020, is set forth below:

Year Ending June 30	Principal	Interest	Total
2021	$ 880,000	$ 873,650	$ 1,753,650
2022	925,000	838,450	1,763,450
2023	945,000	801,450	1,746,450
2024	990,000	763,650	1,753,650
2025	1,035,000	724,050	1,759,050
2026-2030	5,805,000	2,965,250	8,770,250
2031-2035	7,070,000	1,725,700	8,795,700
2036-2039	6,595,000	501,900	7,096,900
Total	$24,245,000	$9,194,100	$33,439,100

Source: Gilroy Unified School District Audited Financial Report for fiscal year 2019-20.

Lease Leaseback Agreement. On June 18, 2019, the District entered into a Lease Leaseback Agreement (the "Lease Leaseback Agreement") with Flint Builders, Inc. (the "Contractor") related to the construction of a multipurpose building in accordance with California Education Code section 17406. The agreement is structured so that the District leases the construction site to the Contractor during the construction period. Concurrently, the Contractor leases the site back to the District under a sublease agreement. The terms of the Lease Leaseback Agreement are from June 18, 2019 to twelve months after whichever of the following comes first: (1) the date the District takes beneficial occupancy of the final phase of the project, or (2) the date of substantial completion, as defined in the Lease Leaseback Agreement. The total amount due under the Lease Leaseback Agreement is $2,868,919, to be paid in monthly installments of $100,000 from the District to the Contractor until August 1, 2021, at which point all amounts outstanding will be paid to the Contractor. As of June 30, 2020, the remaining balance to be paid was $1,668,919.

Early Retirement Incentives. In the fiscal year 2009-10, the District offered an early retirement incentive to eligible certificated employees. Fourteen employees took the incentives. Retirement benefits totaling $814,585 will be paid out in installments of $162,917 each year for the next five years starting on August 1, 2009. The offers were extended to those who were at least 58 years of age with 10 or more years of permanent services to the District and the end of fiscal year 2008-09.

In fiscal year 2010-11, the District offered an early retirement incentive to eligible certificated employees. Seventeen employees took the incentives. Retirement benefits totaling $890,935 will be paid out in installments of $178,187 each year for the next five years starting on August 1, 2010. The offers were extended to those who were at least 58 years of age with 10 or more years of permanent services to the District at the end of fiscal year 2009-10.

In fiscal year 2011-12, the District offered an early retirement incentive to eligible certificated employees. Twelve employees took the incentives. Retirements benefits totaling $633,520 will be paid out in installments of $126,704 each year for the next five years starting on August 1, 2011. The offers were extended to those who were at least 58 years of age with 10 or more years of permanent services to the District at the end of fiscal year 2010-11.

In fiscal year 2013-14, the District offered an early retirement incentive to eligible certificated employees. Twenty-two employees took the incentives. Retirement benefits totaling $1,063,075 will be paid out in installments to $212,603 each year for the next five years starting on July 1, August 1, 2014. The offers were extended to those who were at least 58 years of age with 10 or more years of permanent services to the District at the end of fiscal year 2013-14. In fiscal years 2014-15 through 2019-20, the District did not offer an early retirement incentive.

No Other Post-Employment Benefits (OPEBs). Other than the retirement plan benefits with CalSTRS and CalPERS (see "- Retirement Benefits" below), the District does not provide any other post-retirement healthcare benefits to District employees.

Tax and Revenue Anticipation Notes. Because District revenues from local property taxes and State apportionments are received at irregular intervals throughout the year, while expenditures tend to be incurred on a regular monthly basis, the District has usually found it necessary to borrow for short-term cash needs by issuance of tax and revenue anticipation notes each year, as set forth in the table below. The District's notes are a general obligation of the District, payable from the District's general fund and any other lawfully available moneys, but for which the District has no taxing authority.

Issuance Date	Principal Amount	Interest Rate	Yield	Due Date
July 3, 2004	$5,945,000	3.00%	1.60%	July 6, 2005
July 1, 2005	5,000,000	4.00	2.60	July 6, 2006
July 6, 2006	5,965,000	4.50	3.50	July 6, 2007
July 6, 2007	9,725,000	4.25	3.62	July 6, 2008
July 1, 2008	9,780,000	1.65	2.00	July 6, 2009
July 6, 2009	9,885,000	2.50	0.60	July 1, 2010
July 1, 2010	12,410,000	2.00	0.90	July 1, 2011
July 28, 2011	7,224,000	2.00	0.32	April 30, 2012
July 2, 2012	5,000,000	2.00	0.50	May 1, 2013
July 15, 2013	8,020,000	2.00	0.21	June 2, 2014
July 3, 2014	6,880,000	2.00	0.12	June 30, 2015
July 16, 2015	6,915,000	2.00	0.32	June 30, 2016
July 13, 2016	1,615,009	2.90	0.63	June 30, 2017
July 7, 2017	6,795,000	3.00	0.95	June 29, 2018
July 12, 2018	4,955,000	3.00	1.60	June 28, 2019
August 11, 2020	5,000,000	2.00	0.23	May 3, 2021

In fiscal year 2019-20, the District did not issue tax and revenue anticipation notes ("TRANS") or borrower funds to supplement the District's cash flow. In fiscal year 2020-21, the District issued $5,000,000 aggregate principal amount of TRANS (the "Series 2020 Notes"), dated August 11, 2020, through the California School Cash Reserve Program Authority. The Series 2020 Notes mature on May 3, 2021. The District may issue TRANS or borrow funds in future fiscal years as and if necessary to supplement cash flow.

Employment

As of December 2020, the District employed approximately 1,039 full-time equivalent ("FTE") employees, consisting of approximately 575 FTE non-management certificated employees, approximately 40 FTE certificated management employees, approximately 20 FTE classified non-management employees and approximately 404 FTE classified management employees. For fiscal year 2019-20, the total certificated and classified payrolls were approximately $53.14 million and $18.90 million, respectively. For fiscal year 2020-21, the total certificated and classified payrolls are projected to be approximately $56.44 million and $20.59 million, respectively.

The District's certificated and classified employees are represented by formal bargaining organizations as shown in the table below. The District and the Gilroy Teachers Association are currently negotiating the terms of the fiscal year 2020-21 contract. Negotiations between the District and the Gilroy Federation of Paraeducators and California School Employees' Association are expected to begin this spring 2021.

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
Gilroy Teachers Association	575	June 30, 2020
Gilroy Federation of Paraeducators	140	June 30, 2021
California School Employees' Association – Ch. 69	264	June 30, 2021

Source: Gilroy Unified School District.

Retirement Benefits

The District participates in retirement plans with CalSTRS, which covers all full-time certificated District employees, including teachers and administrators, and CalPERS, which covers certain classified employees. Classified school personnel who are employed four or more hours per day may participate in CalPERS.

CalSTRS. The CalSTRS defined benefit pension plan provides retirement benefits (generally 2% of final compensation for each year of credited service) to participating employees based on hiring date, age, final compensation and years of credited service. The CalSTRS benefit pension plan is funded through a combination of investment earnings and statutorily set contributions from participating employees, employers (including the District) and the State. Prior to fiscal year 2014-15, the statutorily set rates did not vary annually to adjust for funding shortfalls or actuarial surpluses. As a result, the combined employee, employer and State contributions to CalSTRS were not sufficient to pay actuarially determined amounts. To address the shortfall and implement a new funding strategy, Governor Brown signed into law Assembly Bill 1469 on June 24, 2014, as part of the fiscal year 2014-15 State budget (the "2014-15 State Budget"). The 2014-15 State Budget introduced phased increases to employee, employer and State contributions to CalSTRS and sets forth a plan to eliminate CalSTRS' unfunded liability by June 30, 2046.

The 2014-15 State Budget increased employee contributions, which were previously set at 8.00% of pay, to 10.25% of pay for members hired on or before December 31, 2012 and 9.205% of pay for members hired on or after January 1, 2013 effective July 1, 2016. On July 1, 2018, the rate increased to 10.250% of pay for employees hired on or after January 1, 2013. Employer contribution rates were also increased in fiscal year 2014-15 to 8.88% of payroll, with such rate increasing by 1.85% each year thereafter, plateauing at 19.10% of payroll in July 2020. However, due to supplemental payments of approximately $850 million pursuant to the 2019-20 State Budget, employer contribution rates decreased from 18.13% to 17.10% in fiscal year 2019-20 and 19.10% to 18.40% in fiscal year 2020-21. In addition, pursuant to the 2020-21 State Budget, employer contribution rates are expected to decrease from 18.40% to 16.15% in fiscal year 2020-21 and from 17.10% to 16.02% in fiscal year 2021-22 (see table below). The State's total contribution was increased from approximately 3% in fiscal year 2013-14 to 6.828% of payroll in fiscal year 2017-18, and to 10.828% of payroll in fiscal year 2020-21. The State's contribution includes an annual payment of 2.5% of payroll pursuant to a supplemental inflation protection program.

Pursuant to the 2014-15 State Budget, employer contribution rates, including school districts' contribution rates, will increase in accordance with the following schedule:

Effective Date (July 1)	School District Contribution Rate
2014	8.88%
2015	10.73
2016	12.58
2017	14.43
2018	16.28
2019	17.10*
2020	16.15†
2021	16.02†

* Pursuant to the fiscal year 2019-20 State budget.
† Pursuant to the 2020-21 State Budget. See "– State Funding of Education; State Budget Process – 2020-21 State Budget."
Source: Assembly Bill 1469.

The following table sets forth the District's employer contributions to CalSTRS as well as the State's non-employer contributions to CalSTRS on behalf of the District for fiscal years 2016-17 through 2019-20, and the projected contribution for fiscal year 2020-21.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Contributions to CalSTRS for Fiscal Years 2016-17 through 2020-21

Fiscal Year	District Contribution	State's STRS On-Behalf Amounts
2016-17	$6,504,361	$4,152,840
2017-18	7,479,391	4,193,095
2018-19	8,814,006	8,088,662
2019-20	8,983,628	6,896,345
2020-21(1)	8,546,781	5,468,242

(1) First interim report for fiscal year 2020-21.
Source: Gilroy Unified School District

The District's total employer contributions to CalSTRS for fiscal years 2016-17 through 2019-20 were equal to 100% of the required contributions for each year. Pursuant to the 2014-15 State Budget, beginning in fiscal year 2021-22, the State Teachers Retirement Board is required to increase or decrease employer contribution rates to the rates designed to eliminate the CalSTRS unfunded liability by June 30, 2046. A decrease in investment earnings may result in increased employer contribution rates in order to timely eliminate the CalSTRS unfunded liability. As the world is currently experiencing a pandemic, the District cannot predict the impact of the outbreak of COVID-19 on investment earnings and employer contribution rates. See "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak." However, under existing law, the State Teachers Retirement Board may not increase the employer contribution rate by more than 1% in any fiscal year up to a maximum contribution rate of 20.25%. The State Teachers Retirement Board may also adjust the State's contribution rate by a maximum of 0.5% from year to year, based on the funding status of the CalSTRS actuarially determined unfunded liability.

As of June 30, 2019, the actuarial valuation (the "2019 CalSTRS Actuarial Valuation") for the entire CalSTRS defined benefit program showed an estimated unfunded actuarial liability of $105.7 billion, a decrease of approximately $1.5 billion from the June 30, 2018 valuation. The funded ratios of the actuarial value of valuation assets over the actuarial accrued liabilities as of June 30, 2019 and June 30, 2018, based on the actuarial assumptions, were approximately 66.0% and 64.0%, respectively. According to the 2019 CalSTRS Actuarial Valuation, the funded ratio increased by 2.0% during the past year and has decreased by approximately 12% over the past 10 years. As described in the 2019 CalSTRS Actuarial Valuation, the additional State contribution and the return on the actuarial value of assets (7.7%) that exceeded the assumed return (7%) were the primary causes of the increase in the funded ratio from the prior year valuation. Future estimates of the actuarial unfunded liability may change due to market performance, legislative actions and other experience that may differ from the actuarial assumptions used for the CalSTRS valuation. The following are certain of the actuarial assumptions set forth in the 2019 CalSTRS Actuarial Valuation: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," an assumed 7.00% investment rate of return for measurements subsequent to June 30, 2016, 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation and demographic assumptions relating to mortality rates, length of service, rates of disability, rates of withdrawal, probability of refund, and merit salary increases. The 2019 CalSTRS Actuarial Valuation also assumes that all members hired on or after January 1, 2013 are subject to the provisions of PEPRA (as defined herein). See "–Governor's Pension Reform" below for a discussion of the pension reform measure signed by the Governor in August 2012 expected to help reduce future pension obligations of public employers with respect to employees hired on or after January 1, 2013.

CalSTRS produces a comprehensive annual financial report and actuarial valuations which include financial statements and required supplementary information. Copies of the CalSTRS comprehensive annual financial report and actuarial valuations may be obtained from CalSTRS. The information presented in these reports is not incorporated by reference in this Official Statement.

CalPERS. All qualifying classified employees of K-12 school districts in the State are members in CalPERS. All school districts contributing to CalPERS participate in the same plan and share the same contribution rate in each year. However, unlike contributions to CalSTRS, which incrementally increase at statutorily set rates, school districts' contributions to CalPERS fluctuate each year and include a normal cost component and a component equal to an amortized amount of the unfunded liability of CalPERS. Accordingly, the District cannot provide any assurances that the District's required contributions to CalPERS in future years will not significantly vary from any current projected levels of contributions to CalPERS.

CalPERS is funded by employee contributions and investment earnings, with the balance of the funding provided by employer contributions. School districts' contributions decrease when investment earnings rise and increase when investment earnings decline. As a result, declines in investment earnings may result in substantial increases in school district contributions. The District cannot make any predictions as to the effect of a global pandemic, including the outbreak of COVID-19, on investment earnings and school district contributions. See "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – Infectious Disease Outbreak" for more information about the impact of COVID-19. Participating employees enrolled in CalPERS prior to January 1, 2013 contribute 7.00% of their respective salaries, while participating employees enrolled after January 1, 2013 contribute the higher of fifty percent of normal costs of benefits or an actuarially determined rate of 7.00% in fiscal year 2019-20. School districts are required to contribute to CalPERS at an actuarially determined rate, which was 18.062% of eligible salary expenditures for fiscal year 2018-19 and originally 20.733% and 22.68% for fiscal years

2019-20 and 2020-21, respectively. However, the employer contribution rate for fiscal year 2019-20 was reduced to 19.721% as a result of the State's buydown of employer contribution rates in fiscal year 2019-20. Similarly, the 2020-21 State Budget allocates funding to buy down employer contribution rates in fiscal years 2020-21 and 2021-22 to an estimated 20.70% and 22.84%, respectively. See "DISTRICT FINANCIAL MATTERS – State Funding of Education; State Budget Process – 2020-21 State Budget."

The CalPERS Schools Pool Actuarial Valuation as of June 30, 2018 (the "2018 CalPERS Schools Pool Actuarial Valuation") reported an actuarial accrued liability of $92.07 billion with the market value of assets at $64.85 billion, and a funded status of 70.4%. The actuarial funding method used in the 2018 CalPERS Schools Pool Actuarial Valuation is the "Entry Age Normal Cost Method." The 2018 CalPERS Schools Pool Actuarial Valuation assumes, among other things, 2.625% inflation and payroll growth of 2.875% compounded annually. The 2018 CalPERS Schools Pool Actuarial Valuation reflects a discount rate of 7.25% compounded annually (net of administrative expenses) as of June 30, 2018 and 7.00% compounded annually (net of administrative expenses) as of June 30, 2019. The CalPERS Board adopted new demographic assumptions on December 19, 2017, including a reduction in the inflation assumption from 2.625% as of June 30, 2018 to 2.50% as of June 30, 2019. The reduction in the inflation assumption results in decreases in both the normal cost and the accrued liabilities in the future.

The following table sets forth the District's total employer contributions to CalPERS for fiscal years 2016-17 through 2019-20, and the projected contribution for fiscal year 2020-21.

GILROY UNIFIED SCHOOL DISTRICT
(Santa Clara County, California)
Contributions to CalPERS for Fiscal Years 2016-17 through 2020-21

Fiscal Year	Contribution
2016-17	$2,565,408
2017-18	2,979,973
2018-19	3,612,801
2019-20	3,898,809
2020-21[(1)]	3,984,869

(1) First interim report for fiscal year 2020-21.
Source: Gilroy Unified School District

The District's total employer contributions to CalPERS for fiscal years 2016-17 through 2019-20 were equal to 100% of the required contributions for each year.

CalPERS produces a comprehensive annual financial report and actuarial valuations that include financial statements and required supplementary information. Copies of the CalPERS comprehensive annual financial report and actuarial valuations may be obtained from CalPERS Financial Services Division. The information presented in these reports is not incorporated by reference in this Official Statement.

CalSTRS and CalPERS are more fully described in Note 6 to the District's financial statements in APPENDIX B – "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

Governor's Pension Reform. On August 28, 2012, Governor Brown and the State Legislature reached agreement on a law that reforms pensions for State and local government employees. AB 340, which was signed into law on September 12, 2012, established the California Public Employees' Pension Reform Act of 2012 ("PEPRA") which governs pensions for public employers and public pension plans on and after January 1, 2013. For new employees, PEPRA, among other things, caps pensionable salaries at the Social Security contribution and wage base, which is $137,300 for 2020, or 120% of that amount for employees not covered by Social Security, increases the retirement age by two years or more for all new public employees while adjusting the retirement formulas, requires State employees to pay at least half of their pension costs, and also requires the calculation of benefits on regular, recurring pay to stop income spiking. For all employees, changes required by PEPRA include the prohibition of retroactive pension increases, pension holidays and purchases of service credit. PEPRA applies to all State and local public retirement systems, including county and district retirement systems. PEPRA only exempts the University of California system and charter cities and counties whose pension plans are not governed by State law.

Insurance and Joint Ventures

The District is a member of one joint powers authority ("JPA"): the Santa Clara County Schools Insurance Group ("SCCSIG"). The District pays an annual premium to the entity for its coverage. The relationship between the District, the pools, and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. The JPA provides insurance and services as noted for member school districts. During fiscal year 2019-20, the District made payments of $839,016 to SCCSIG.

The JPA is governed by boards consisting of a representative from each member district. The governing boards control the operations of the JPA, independent of any influence by the District beyond the District's representation on the governing board. Each member district pays premiums and fees commensurate with the level of coverage or services requested, and shares surpluses and deficits proportionate to its participation in the JPA.

See Note 9 to the District's audited financial statements in APPENDIX B— "FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2020" for more information.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Limitations on Revenues

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 tax on real property to 1% of the full cash value thereof, except that additional ad valorem taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) 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 (iii) 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.

County of Orange v. Orange County Assessment Appeals Board No. 3. Section 51 of the Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restoration of value of the damaged property. The constitutionality of this procedure was challenged in a lawsuit brought in 2001 in the Orange County Superior Court, and in similar lawsuits brought in other counties, on the basis that the decrease in assessed value creates a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violate Article XIIIA. On appeal, the California Court of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

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 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment 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.

The tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of market value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

Article XIIIB of the California Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979, thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). Under Article XIIIB state and local governmental entities have an annual "appropriations limit" and are not permitted to spend certain moneys which are called "appropriations subject to limitation" (consisting of tax revenues, state subventions and certain other funds) in an amount higher than the "appropriations limit." Article XIIIB does not affect the appropriation of moneys which are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the "appropriations limit" is to be based on certain 1978-79 expenditures, and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Any proceeds of taxes received by the District in excess of the allowable limit are absorbed into the State's allowable limit.

Article XIIIC and Article XIIID of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIIIC and XIIID ("Article XIIIC" and "Article XIIID," respectively), 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. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic 1% ad valorem property tax levied and collected by the County pursuant to Article XIIIA of the California Constitution. The provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within the District.

Statutory Limitations

On November 4, 1986, State voters approved Proposition 62, an initiative statute limiting the imposition of new or higher taxes by local agencies. The statute (a) requires new or higher general taxes to be approved by two-thirds of the local agency's governing body and a majority of its voters; (b) requires the inclusion of specific information in all local ordinances or resolutions proposing new or higher general or special taxes; (c) penalizes local agencies that fail to comply with the foregoing; and (d) required local agencies to stop collecting any new or higher general tax adopted after July 31, 1985, unless a majority of the voters approved the tax by November 1, 1988.

Appellate court decisions following the approval of Proposition 62 determined that certain provisions of Proposition 62 were unconstitutional. However, the California Supreme Court upheld Proposition 62 in its decision on September 28, 1995 in Santa Clara County Transportation Authority v. Guardino. This decision reaffirmed the constitutionality of Proposition 62. Certain matters regarding Proposition 62 were not addressed in the Supreme Court's decision, such as whether the decision applies retroactively, what remedies exist for taxpayers subject to a tax not in compliance with Proposition 62, and whether the decision applies to charter cities.

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K-12 districts and community college districts (collectively, "K-14 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, which percentage is equal to 40.9%, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9%, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, the Governor and other fiscal observers expect the Accountability Act to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

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 districts. Such transfer would be excluded from the Appropriations Limit for K-14 districts and the K-14 districts Appropriations Limits 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 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 schools is 4% of the minimum State spending for education mandated by the Accountability Act, as described above.

On June 5, 1990, California voters approved Proposition 111 (Senate Constitutional Amendment 1), which further modified the Constitution to alter the spending limit and education funding provisions of Proposition 98. Most significantly, Proposition 111 (1) liberalized the annual adjustments to the spending limit by measuring the "change in the cost of living" by the change in State per capita personal income rather than the Consumer Price Index, and specified that a portion of the State's spending limit would be adjusted to reflect changes in school attendance; (2) provided that 50% of the "excess" tax revenues, determined based on a two-year cycle, would be transferred to K-14 districts with the balance returned to taxpayers (rather than the previous 100% but only up to a cap of 4% of the districts' minimum funding level), and that any such transfer to K-14 districts would not be built into the school districts' base expenditures for calculating their entitlement for State aid in the following year and would not increase the State's appropriations limit; (3) excluded from the calculation of appropriations that are subject to the limit appropriations for certain "qualified capital outlay projects" and certain increases in gasoline taxes, sales and use taxes, and receipts from vehicle weight fees; (4) provided that the Appropriations Limit for each unit of government, including the State, would be recalculated beginning in the 1990-91 fiscal year, based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Senate Constitutional Amendment 1 had been in effect; and (5) adjusted the Proposition 98 formula that guarantees K-14 districts a certain amount of general fund revenues, as described below.

Under prior law, K-14 districts were guaranteed the greater of (a) 40.9% of 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, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a "credit" to be paid in future years when general fund revenue growth exceeds personal income growth.

Assembly Bill No. 26 & California Redevelopment Association v. Matosantos

On February 1, 2012, pursuant to the California Supreme Court's decision in California Redevelopment Association v. Matosantos, Assembly Bill No. 26 (First Extraordinary Session) ("AB 1X 26") dissolved all redevelopment agencies in existence and designated "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency were transferred to the control of its successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various related taxing agencies pursuant to AB 1X 26.

It is possible that there will be additional legislation proposed and/or enacted to clarify various inconsistencies contained in AB 1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB 1X 26. For example, AB 1484 was signed by the Governor on June 27, 2012, to clarify and amend certain aspects of AB 1X 26. AB 1484, among other things, attempts to clarify the role and requirements of successor agencies, provides successor agencies with more control over agency bond proceeds and properties previously owned by redevelopment agencies and adds other new and modified requirements and deadlines. AB 1484 also provides for a "tax claw back" provision, wherein the State is authorized to withhold sales and use tax revenue allocations to local successor agencies to offset payment of property taxes owed and not paid by such local successor agencies to other local taxing agencies. This "tax claw back" provision has been challenged in court by certain cities and successor agencies. The District cannot predict the outcome of such litigation and what effect, if any, it will have on the District. Additionally, no assurances can be given as to the effect of any such future proposed and/or enacted legislation on the District.

Proposition 30 and Proposition 55

On November 6, 2012, voters approved Proposition 30, also referred to as the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment. Proposition 30 temporarily (a) increased the personal income tax on certain of the State's income taxpayers by one to three percent for a period of seven years beginning with the 2012 tax year and ending with the 2019 tax year, and (b) increased the sales and use tax by one-quarter percent for a period of four years beginning on January 1, 2013 and ending with the 2016 tax year. The revenues generated from such tax increases are included in the calculation of the Proposition 98 minimum funding guarantee (see "– Proposition 98 and Proposition 111" above). The revenues generated from such temporary tax increases are deposited into a State account created pursuant to Proposition 30 (the Education Protection Account), and 89% of the amounts therein are allocated to school districts and 11% of the amounts therein are allocated to community college districts.

The Proposition 30 sales and use tax increases expired at the end of the 2016 tax year. Under Proposition 30, the personal income tax increases were set to expire at the end of the 2018 tax year. However, the California Tax Extension to Fund Education and Healthcare Initiative ("Proposition 55"), approved by the voters on November 8, 2016, extends by 12 years the temporary personal income tax increases on incomes over $250,000 that was first enacted by Proposition 30; Proposition 55 did not extend the sales and use tax increases imposed by Proposition 30. Revenues from the income tax increase under Proposition 55 will be allocated to school districts and community colleges in the State.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see "DISTRICT FINANCIAL MATTERS — State Funding of Education; State Budget Process."

Proposition 2

General. Proposition 2, which included certain constitutional amendments to the Rainy Day Fund and, upon its approval, triggered the implementation of certain provisions which could limit the amount of reserves that may be maintained by a school district, was approved by the voters in the November 2014 election.

Rainy Day Fund. The Proposition 2 constitutional amendments related to the Rainy Day Fund (i) require deposits into the Rainy Day Fund whenever capital gains revenues rise to more than 8% of general fund tax revenues; (ii) set the maximum size of the Rainy Day Fund at 10% of general fund revenues; (iii) for the next 15 years, require half of each year's deposit to be used for supplemental payments to pay down the budgetary debts or other long-term liabilities and, thereafter, require at least half of each year's deposit to be saved and the remainder used for supplemental debt payments or savings; (iv) allow the withdrawal of funds only for a disaster or if spending remains at or below the highest level of spending from the past three years; (v) require the State to provide a multiyear budget forecast; and (vi) create a Proposition 98 reserve (the "Public School System Stabilization Account") to set aside funds in good years to minimize future cuts and smooth school spending. The State may deposit amounts into such account only after it has paid all amounts owing to school districts relating to the Proposition 98 maintenance factor for fiscal years prior to fiscal year 2014-15. The State, in addition, may not transfer funds to the Public School System Stabilization Account unless the State is in a Test 1 year under Proposition 98 or in any year in which a maintenance factor is created.

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

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

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

The Series 2021 Bonds are payable from ad valorem taxes to be levied within the District pursuant to the California Constitution and other State law. Accordingly, the District does not expect SB 858 or SB 751 to adversely affect its ability to pay the principal of and interest on the Series 2021 Bonds as and when due.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID, as well as Propositions 2, 30, 55, 62, 98, 111 and 218, were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District's ability to expend revenue.

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APPENDIX B

FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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GILROY UNIFIED SCHOOL DISTRICT

COUNTY OF SANTA CLARA
GILROY, CALIFORNIA

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED JUNE 30, 2020

GILROY UNIFIED SCHOOL DISTRICT

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GILROY UNIFIED SCHOOL DISTRICT

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

To the Governing Board
Gilroy Unified School District
Gilroy, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Gilroy Unified School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement.

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

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

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e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget (Non-GAAP) and Actual – General Fund and Cafeteria Fund, Schedule of Proportionate Share of Net Pension Liability and Schedule of Pension Contributions, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards, as required by the August 2020 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report, dated October 13, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering District's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 13, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Gilroy Unified School District's (the "District") 2019-20 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

DISTRICT PROFILE

Gilroy Unified School District is located in Gilroy, California, nestled in the southern portion of Santa Clara County, midway between San Francisco and Monterey Bay. Gilroy is home to numerous award-winning wineries, parks, golf courses, a charming historic downtown district, the Gilroy Premium Outlets, and the Gilroy Gardens Family Theme Park. Gilroy is the "Garlic Capital of the World!" The annual Garlic Festival in July continues to draw more than 100,000 visitors from around the globe and has raised more than $10 million for local schools, charities and non-profits.

According to the 2019 U.S. Census Bureau, Gilroy's population estimate is 59,032, representing less than a 1% increase in population from last year. The City of Gilroy has approved several single-family subdivisions, and multi-family developments, which are projected to add 200 to 400 residents over the next several years. Yet despite the steady rise in residential construction, the District is declining in elementary enrollment (a decline of over 400 in the last four years). The key attributing factors for the decline are as follows;

- low birth rates both in Santa Clara County and in Gilroy,
- high cost of living
- lower student generation rates (SGR) on new residential construction

The Governing Board has taken tough but proactive measures to address the impacts of declining enrollment. Over $4.5 million worth of budget cuts have been implemented since 2017-18. Additionally, the Board authorized the formation of a Superintendent's Advisory Committee on School Closures, which lead to Board action to close Antonio Del Buono Elementary School for the 2020-21 school year. With kinder enrollment at historic lows, the lower cohort will affect total enrollment for years to come.

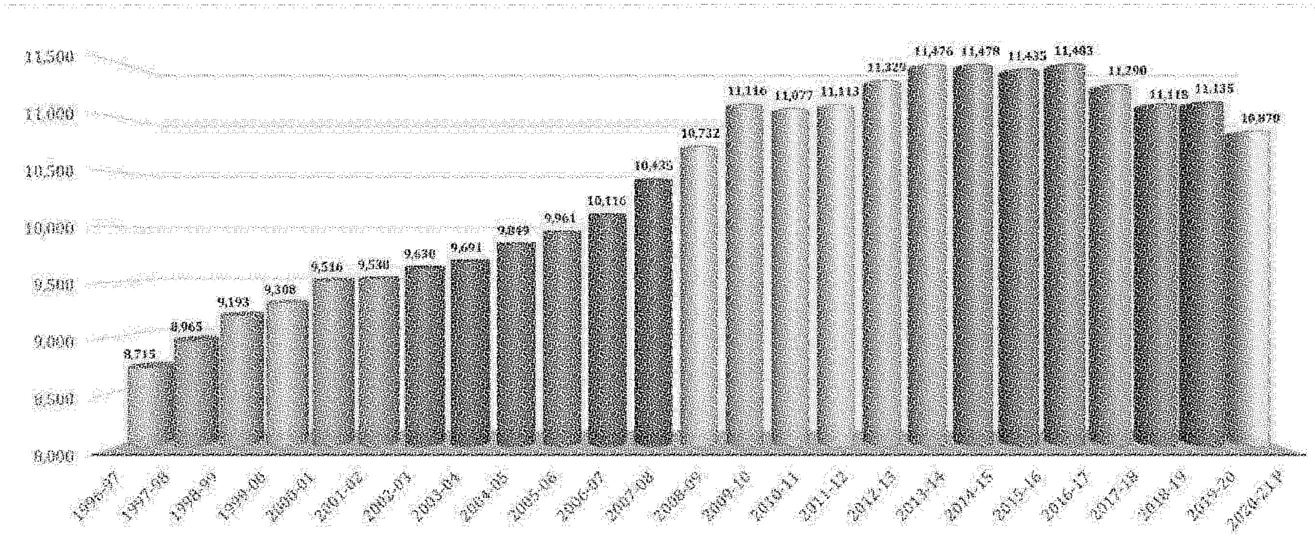
For the 2019-20 year, the District is comprised of eight elementary schools, three middle schools, two comprehensive high schools, one early college academy, one continuation school, and one charter school that serve approximately 11,000 students. The District currently employs approximately 1,050 staff members.

MISSION

Gilroy Unified School District will provide opportunities for all students to reach their highest academic and intellectual competencies and personal attributes to be life-long learners, responsible citizens, and productive members of society. This will be accomplished by having a clear focus on student needs; staff, parents and community members demonstrating high expectations for themselves and for every child served; and by continually improving the quality of teaching and learning.

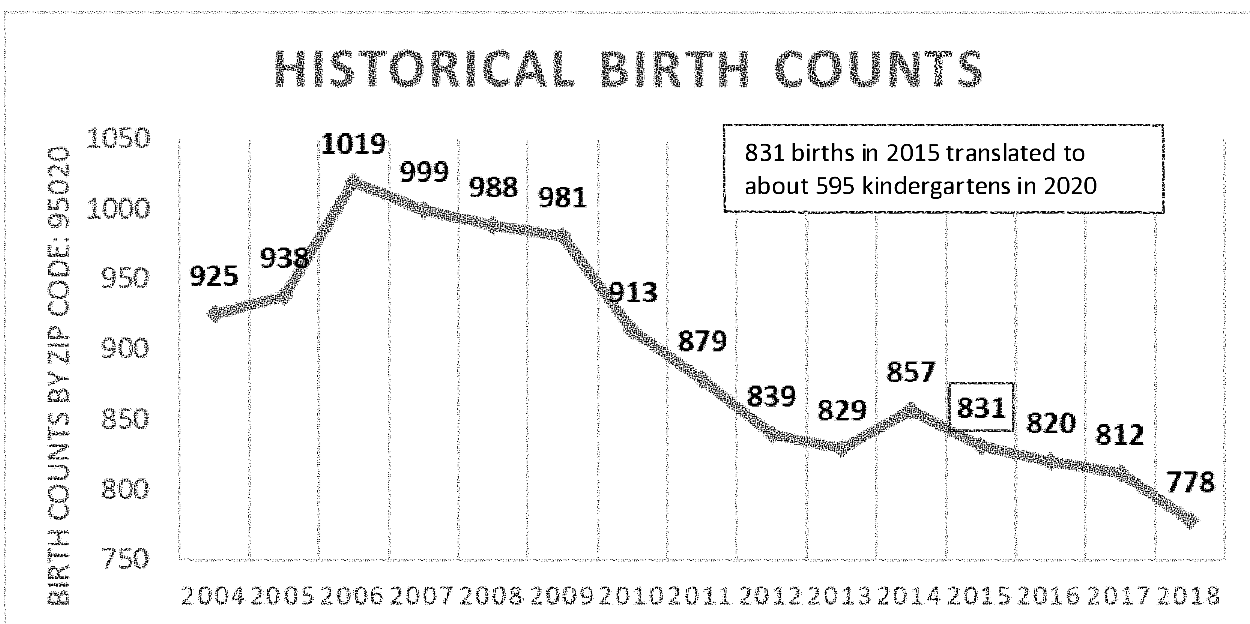
ENROLLMENT 1996-2020

The table below shows a history of enrollment growth until 2017-18, when GUSD experienced its first triple digit enrollment decline in recent history. The 2020-21 enrollment is a projection.



Historically, economic expansions have a positive correlation with increases in births. Despite the record shattering economic expansion, California has hit a 100-year low in birth counts. The table below shows the annual births in the Gilroy zip code, also depicting a substantial decline since 2006. Approximately 80% of annual births translate to an incoming kindergarten class.

GILROY'S HISTORICAL BIRTH DATA (by zip code)



FINANCIAL HIGHLIGHTS

Despite the recent decline in enrollment, the District's reserves have remained strong, above the Governing Board's minimum reserve policy of seven percent (7%). For GUSD, declining enrollment means less funding. The District is committed to fiscal stability. To this end, the Governing Board has reduced the operating budget slashing over $5 million since 2017-18. Additionally, the Board approved a Budget Development Calendar establishing a timeline for the budget development of the 2020-21 fiscal year, and routinely reviews the District's Multi-Year Projection (MYP). The MYP assumes the District's declining enrollment will require additional cuts of about $1 million in each of the subsequent years.

- As of June 30, 2020, the General fund ending balance was $35,341,351, which was $17.6 million higher than estimated actuals. This variance is attributed to three key factors - $7.1 million of one-time carryover funds, a decrease in books and supply purchases of $9.5M and a savings ($1.6 million) in Special Education.
- The General Fund available reserves as a percentage of total outgo (expenditures, other uses, and transfers out) was 18.8%, after accounting for committed balances.
- GASB 68 was implemented six years ago, which required the net pension liability to be recognized. An increase in the net pension liability of $4,884,659 was recognized as of June 30, 2020. Deferred outflows related to pensions increased by 11,100,706 while deferred inflows related to pensions decreased by $6,705,792.
- On the Statement of Activities, total current year revenues exceeded total current year expenses by $11,544,283 as the District completes capital bond projects, and spends down one-time funds.
- Net Position increased 16.4% to $81,847,412 as of June 30, 2020.
- The District's Multi-Year Projection will require about $1 million of budget cuts in each of the subsequent years. The Governing Board is committed to maintaining its minimum reserve policy to maintain fiscal stability.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities and Change in Net Position

The Statement of Net Position and the Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position and changes in them. Net position is the difference between assets and liabilities, one way to measure the District's financial health or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. Other factors to consider are changes in the District's enrollment, property tax base, and the condition of the District's facilities.

The relationship between revenues and expenses is the District's operating results. Since the Board's responsibility is to provide services to our students and not to generate profit as commercial entities do, one must consider other factors when evaluating the overall health of the District. The quality of the education and the safety of our schools will likely be two important factors.

Fund Financial Statements

The fund financial statements are designed to report information about the District's most significant funds. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by bond covenants. The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues. Fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

- Governmental funds statements tell how basic services such as instruction and pupil services were financed in the short term as well as what remains for future spending. Most of the District's basic services are included in governmental funds. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information in the reconciliation statements that explains the relationship (or differences) between them.
- Proprietary funds statements offer financial information about the activities the district operates on a cost reimbursement basis, such as the self-insurance fund. Proprietary funds are reported in the same way as the district-wide statements. The District currently has one internal service fund – the self-insurance fund for dental and vision benefits.
- Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong such as associated student body accounts. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the Basic Financial Statements

Notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in district-wide and fund financial statements. The notes to the financial statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's general fund budget, both the adopted and final version, with year-end actuals.

NET POSITION

The District's combined net position, as of June 30, 2020, was $81,847,412 reflecting an increase of 16.4%.

Comparative Statement of Net Position

	Governmental Activities			
	June 30, 2019	June 30, 2020	Change	Percent Change
Assets				
Current	$ 137,914,194	$ 110,282,007	$ (27,632,187)	-20.0%
Capital Assets, net	347,890,827	376,270,490	28,379,663	8.2%
Total Assets	485,805,021	486,552,497	747,476	0.2%
Deferred Outflows of Resources				
Deferred loss on refunding bonds	7,515,107	16,608,020	9,092,913	121.0%
Pensions	61,353,731	63,361,524	2,007,793	3.3%
Total Deferred Outflows	68,868,838	79,969,544	11,100,706	16.1%
Liabilities				
Current	19,472,649	18,153,279	(1,319,370)	-6.8%
Long-Term	426,090,983	434,420,044	8,329,061	2.0%
Total Liabilities	445,563,632	452,573,323	7,009,691	1.6%
Deferred Inflows of Resources				
Deferred bond premium revenue	20,281,888	11,649,724	(8,632,164)	-42.6%
Pensions	18,525,210	20,451,582	1,926,372	10.4%
Total Deferred Inflows	38,807,098	32,101,306	(6,705,792)	-17.3%
Net Position				
Net investment in capital assets	127,834,548	112,216,471	(15,618,077)	-12.2%
Restricted	104,665,577	72,254,912	(32,410,665)	-31.0%
Unrestricted	(162,196,996)	(102,623,971)	59,573,025	36.7%
Total Net Position	$ 70,303,129	$ 81,847,412	11,544,283	16.4%

CHANGE IN NET POSITION

The District's total revenues increased 0.5% to $164,356,537. The total cost of all programs and services decreased 0.4% to $152,812,254. The District's expenses are predominantly related to educating and caring for students.

	Governmental Activities			
	June 30, 2019	June 30, 2020	Change	Percent Change
Program Revenues				
Charges for Services	$ 1,870,632	$ 2,581,476	$ 710,844	38.0%
Operating Grants & Contributions	30,184,532	24,718,046	(5,466,486)	-18.1%
General Revenues				
Taxes Levied	79,647,210	82,694,492	3,047,282	3.8%
Federal & State Aid	47,729,635	53,303,109	5,573,474	11.7%
Interest & Investment Earnings	693,971	648,314	(45,657)	-6.6%
Miscellaneous	3,430,456	411,100	(3,019,356)	-88.0%
Total Revenues	163,556,436	164,356,537	800,101	0.5%
Expenses				
Instruction	78,316,754	73,239,523	(5,077,231)	-6.5%
Instruction-Related Services	15,509,541	17,143,496	1,633,955	10.5%
Pupil Services	17,406,282	17,562,334	156,052	0.9%
General Administration	6,401,098	6,281,813	(119,285)	-1.9%
Plant Services	13,186,191	14,074,136	887,945	6.7%
Ancillary Services	1,107,805	1,136,091	28,286	2.6%
Community Services	88,591	48,896	(39,695)	-44.8%
Enterprise Activities	411,364	-	(411,364)	-100.0%
Interest on Long-Term Debt	6,239,579	2,517,489	(3,722,090)	-59.7%
Other Outgo	4,671,484	10,529,342	5,857,858	125.4%
Depreciation	10,106,687	10,279,134	172,447	1.7%
Total Expenses	153,445,376	152,812,254	(633,122)	-0.4%
Change in Net Position	$ 10,111,060	$ 11,544,283	$ 1,433,223	14.2%

LONG TERM LIABILITIES

Total long-term liabilities decreased by $6.4 million (-1.4%).

Comparative Schedule of Long Term Liabilities

	Governmental Activities			
	June 30, 2019	June 30, 2020	Change	Percent Change
Bonds	$ 280,790,728	$ 288,055,175	$ 7,264,447	2.6%
Certificates of Participation	25,110,000	24,245,000	(865,000)	-3.4%
Accumulated Vacation - net	106,499	132,583	26,084	24.5%
Net Pension Liability	127,337,627	132,222,286	4,884,659	3.8%
Subtotal	433,344,854	444,655,044	11,310,190	2.6%
Unamortized General Obligation Bond Premium	18,324,905	9,800,961	(8,523,944)	-46.5%
Unamortized Certificates of Participation Premium	1,956,983	1,848,763	(108,220)	-5.5%
Unamortized Loss on Refunding	(7,515,107)	(16,608,020)	(9,092,913)	121.0%
Total Long Term Obligations	$ 446,111,635	$ 439,696,748	$ (6,414,887)	-1.4%

The notes to the financial statements are an integral part of the financial presentation and contain more detailed information as to interest, principal, retirement amounts, and future debt retirement dates.

CAPITAL ASSETS

Capital assets, net of depreciation, increased from the prior year to $376,270,490, representing a 8.2% increase.

GENERAL FUND

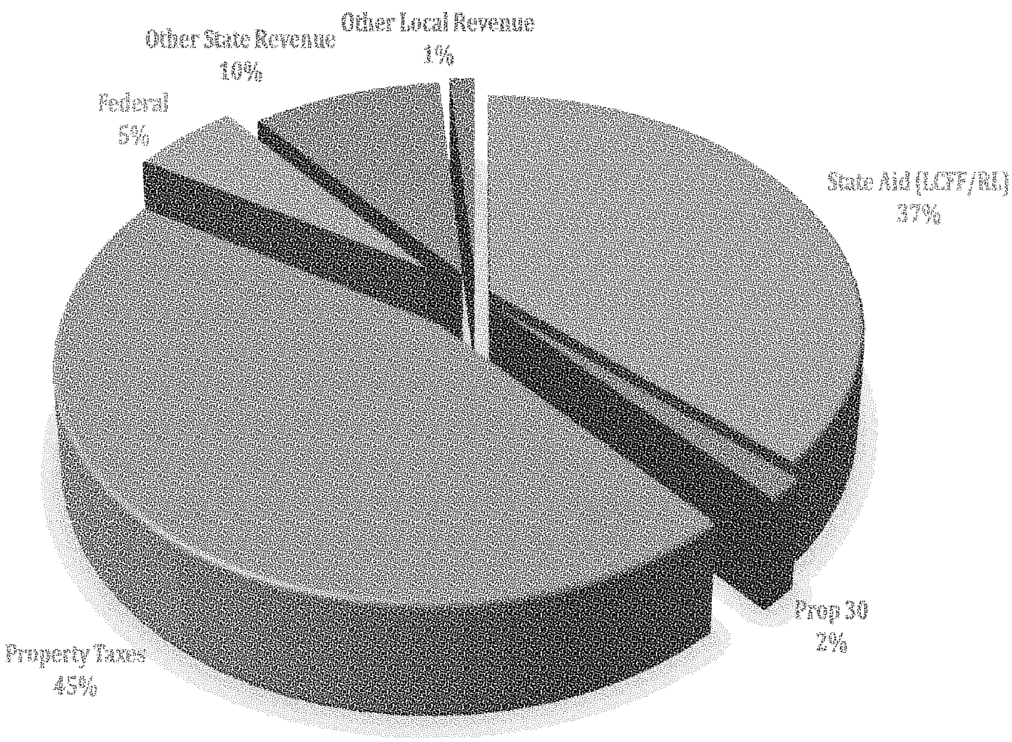
General Fund Budgetary Highlights

The District's budget is prepared in accordance with California law and is based on the modified accrual basis of accounting. Over the course of the year, the District revises its budget based on updated financial information. The original budget, approved at the end of June for July 1, is based on May revised figures and updated 45 days after the State approves its final budget. In addition, the District revises its budget at First and Second Interim and any other time there are significant changes.

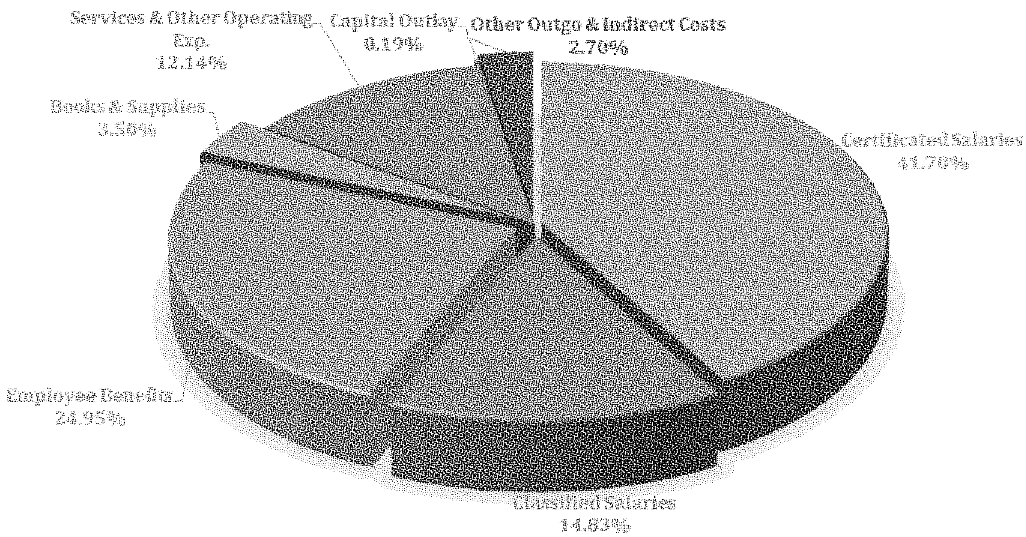
Other than the aforementioned instance, the District did not incur unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

GOVERNMENTAL ACTIVITIES

The following chart provides a breakdown of the $136,835,966 million of General Fund revenues by category:



The following chart provides a breakdown of the $127,439,619 million of General Fund expenditures by object classification:



ECONOMIC FACTORS AND THE FY 2019-20 BUDGET

California is the fifth economy in the world, yet it significantly lags behind the nation in its investment in public education. The full implementation of the Local Control Funding Formula is a step in the right direction; providing additional funding for the neediest of students. Nonetheless, the funding of public schools relies on the top 1 percent income earners in California, and creates an inherent volatility that counters the need to provide stability and predictability for our students and staff.

While the economy is enjoying its longest expansion on record, GUSD's revenues are falling short of funding its on-going commitments. Declining enrollment means loss of funding for the District. Budgetary pressures from cost increases related pensions (CalSTRS & CalPERS) obligations alone consume the District's new annual revenues. The Multi-Year Projection depicts a series of budget reductions are necessary in order to maintain the minimum reserve level (7%) set forth by the Governing Board.

While economists cannot accurately predict or agree on when it will take place, the economy is cyclical. The US economy will have a recession at one point or another. GUSD needs to be prepared to sustain the declines associated with the loss of enrollment, and the equally devastating impacts even a mild recession will have on available state revenues.

The GUSD Governing Board remains committed to fiscal solvency and fiscal stability. The District recognizes the increased exposure declining enrollment brings to the District, and the fiscally prudent decisions that must be made, however painful, to remain fiscally solvent for the current and subsequent years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the District Office, Gilroy Unified School District, 7810 Arroyo Circle, Gilroy, California 95020.

FINANCIAL SECTION

GILROY UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2020

	Governmental Activities
ASSETS	
Cash (note 2)	$ 98,292,847
Receivables	11,895,065
Other assets	94,095
Capital Assets – net of accumulated depreciation (note 4)	376,270,490
Total Assets	486,552,497
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss on refunding of bonds (note 5)	16,608,020
Deferred outflows on pensions (note 6)	63,361,524
Total Deferred Outflows	79,969,544
LIABILITIES	
Accounts payable and other current liabilities	7,053,492
Unearned revenue	864,787
Long-term liabilities – (note 5)	
Due within one year	10,235,000
Due after one year	434,420,044
Total Liabilities	452,573,323
DEFERRED INFLOWS OF RESOURCES	
Deferred bond premium (note 5)	11,649,724
Deferred inflows on pensions (note 6)	20,451,582
Total Deferred Inflows	32,101,306
NET POSITION	
Net investment in capital assets	112,216,471
Restricted	72,254,912
Unrestricted	(102,623,971)
Total Net Position	$ 81,847,412

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

GILROY UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Program Revenues		Net (Expense) Revenues and Changes in Net Position
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 73,239,523	$ 93,746	$ 12,458,355	$ (60,687,422)
Instruction – related services:				
Supervision of instruction	7,669,546	237,283	2,593,182	(4,839,081)
Instructional library and technology	282,328	6	7,229	(275,093)
School site administration	9,191,622	41,478	1,083,189	(8,066,955)
Pupil Services:				
Home-to-school transportation	2,785,321	–	10,256	(2,775,065)
Food services	5,683,718	1,000,417	3,928,815	(754,486)
All other pupil services	9,093,295	9,731	1,689,819	(7,393,745)
General administration:				
Data processing	1,428,214	2	4	(1,428,208)
All other general administration	4,853,599	74,913	681,454	(4,097,232)
Plant services	14,074,136	61,276	238,814	(13,774,046)
Ancillary services	1,136,091	–	69,667	(1,066,424)
Community services	48,896	8,836	978	(39,082)
Interest on long-term debt	2,517,489	–	–	(2,517,489)
Other outgo	10,529,342	1,053,788	1,956,284	(7,519,270)
Depreciation (unallocated)	10,279,134	–	–	(10,279,134)
Total governmental activities	$ 152,812,254	$ 2,581,476	$ 24,718,046	(125,512,732)
General Revenues				
Taxes and subventions:				
Taxes levied for general purposes				64,575,907
Taxes levied for debt service				18,118,585
Federal and state aid not restricted to specific purposes				53,303,109
Interest and investment earnings				648,314
Miscellaneous				411,100
Total general revenues				137,057,015
Change in net position				11,544,283
Net position – beginning, July 1, 2019				70,303,129
Net position – ending, June 30, 2020				$ 81,847,412

GILROY UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

JUNE 30, 2020

	General Fund	Cafeteria Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
ASSETS						
Cash and cash equivalents	$ 26,850,810	$ 70,934	$ 48,246,156	$ 15,141,281	$ 5,635,791	$ 95,944,972
Accounts receivable	10,678,286	816,177	242,664	32,176	117,975	11,887,278
Stores	–	94,095	–	–	–	94,095
Due from other funds	764,091	–	–	–	–	764,091
Total assets	$ 38,293,187	$ 981,206	$ 48,488,820	$ 15,173,457	$ 5,753,766	$ 108,690,436
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 2,087,752	$ 119,230	$ 328,668	$ –	$ 24,600	$ 2,560,250
Due to other funds	–	764,091	–	–	–	764,091
Unearned revenue	864,084	–	–	–	703	864,787
Total liabilities	2,951,836	883,321	328,668	–	25,303	4,189,128
Fund balances						
Nonspendable	50,000	94,095	–	–	–	144,095
Restricted	4,246,032	3,790	48,160,152	15,173,457	4,671,481	72,254,912
Assigned	7,131,121	–	–	–	1,476,813	8,607,934
Unassigned	23,914,198	–	–	–	(419,831)	23,494,367
Total fund balances	35,341,351	97,885	48,160,152	15,173,457	5,728,463	104,501,308
Total liabilities and fund balances	$ 38,293,187	$ 981,206	$ 48,488,820	$ 15,173,457	$ 5,753,766	$ 108,690,436

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

GILROY UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total fund balances – governmental funds		$ 104,501,308
Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:		
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.		
Capital assets at historical cost:	$ 511,013,029	
Accumulated depreciation:	(134,742,539)	
Net:		376,270,490
Unamortized costs: In governmental funds, debt issuance premiums, gain or loss on refunding, and defeasance costs are recognized as expenditures in the period they are incurred. In the government-wide statements, these amounts are amortized over the life of the debt. Unamortized premiums, losses, and defeasance costs at year end consist of:		
Unamortized portion of COP premiums		(1,848,763)
Unamortized portion of bond premiums		(9,800,961)
Unamortized portion of loss on refunding		16,608,020
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(4,493,242)
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:		
General obligation bonds payable	$ 288,055,175	
Net Pension Liability	132,222,286	
Certificates of participation payable	24,245,000	
Compensated absences payable	132,583	
		(444,655,044)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pension are reported.		
Deferred outflows of resources relating to pensions		63,361,524
Deferred inflows of resources relating to pensions		(20,451,582)
Internal service funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery bases. Because internal service funds are presumed to operate for the benefit of governmental activities, assets and liabilities of internal service funds are reported with governmental activities in the statement of net position. Net position for internal service funds are:		2,355,662
Total net position, governmental activities		$ 81,847,412

GILROY UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Cafeteria Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
REVENUES						
LCFF sources	$ 114,739,891	$ –	$ –	$ –	$ –	$ 114,739,891
Federal revenue	7,303,118	3,981,176	–	–	–	11,284,294
Other state revenues	13,060,268	321,430	–	87,079	999,751	14,468,528
Other local revenues	1,732,689	1,121,346	1,465,525	18,156,600	1,337,847	23,814,007
Total revenues	136,835,966	5,423,952	1,465,525	18,243,679	2,337,598	164,306,720
EXPENDITURES						
Certificated salaries	53,144,959	–	–	–	510,947	53,655,906
Classified salaries	18,895,680	1,849,890	281,932	–	270,447	21,297,949
Employee benefits	31,794,469	766,200	116,322	–	362,491	33,039,482
Books and supplies	4,456,210	28,499	333,831	–	77,092	4,895,632
Services and other operating expenditures	15,472,555	2,516,059	240,464	–	68,540	18,297,618
Capital outlay	238,337	–	38,420,386	–	–	38,658,723
Other outgo	3,398,274	263,305	–	14,381,754	63,319	18,106,652
Debt service expenditures	39,135	–	–	–	1,764,600	1,803,735
Total expenditures	127,439,619	5,423,953	39,392,935	14,381,754	3,117,436	189,755,697
Excess of revenues over expenditures	9,396,347	(1)	(37,927,410)	3,861,925	(779,838)	(25,448,977)
OTHER FINANCING SOURCES (USES)						
All Other Financing Sources	–	–	–	124,165,000	–	124,165,000
All Other Financing Uses	–	–	–	(124,165,000)	–	(124,165,000)
Total other financing sources (uses)	–	–	–	–	–	–
Net change in fund balances	9,396,347	(1)	(37,927,410)	3,861,925	(779,838)	(25,448,977)
Beginning Balance, July 1, 2019	25,945,004	97,886	86,087,562	11,311,532	6,508,301	129,950,285
Fund balances, June 30, 2020	$ 35,341,351	$ 97,885	$ 48,160,152	$ 15,173,457	$ 5,728,463	$ 104,501,308

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

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total net change in fund balances - governmental funds		$ (25,448,977)
Amounts reported for revenues and expenses for governmental activities in the statement of activities are different from amounts reported in governmental funds because:		
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:		
Expenditures for capital outlay:	$ 38,658,797	
Depreciation expense:	(10,279,134)	28,379,663
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt		118,365,635
Debt proceeds: In governmental funds, proceeds from debt are recognized as Other Financing Sources. In the government-wide statements, proceeds from debt are reported as increases to liabilities. Amounts recognized in governmental funds as proceeds from debt, net of issue premium or discount were:		(124,165,000)
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:		1,800,286
Accreted interest on capital appreciation bonds is not recognized as an expenditure in the governmental fund financial statements until paid. In the statement of activities, however, accreted interest is recognized as an expense as the capital appreciation bonds accrete in value. The amount of accreted interest recognized in the current year was:		(600,082)
Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		(4,803,238)
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:		17,725,077
Internal Service Funds: Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Because internal service funds are presumed to benefit governmental activities, internal service activities are reported as governmental in the statement of activities. The net increase or decrease in internal service		317,003
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measure by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(26,084)
Total change in net position - governmental activities		$ 11,544,283

GILROY UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND – STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Internal Service Fund
ASSETS	
Current Assets	
Deposits and investments	$ 2,347,875
Receivables	7,787
Total Current Assets	2,355,662
LIABILITIES	
Current Liabilities	
Claim liability	–
Total Current Liabilities	–
NET POSITION	
Restricted	2,355,662
Net Position	$ 2,355,662

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

GILROY UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND – STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Internal Service Fund
OPERATING REVENUES	
Interdistrict premiums	$ 1,525,537
OPERATING EXPENDITURES	
Claims paid	1,237,294
Operating Income	288,243
NONOPERATING REVENUES	
Interest income	28,760
Change in Net Position	317,003
Net Position – Beginning, July 1, 2019	2,038,659
Net Position – Ending, June 30, 2020	$ 2,355,662

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

GILROY UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND – STATEMENT OF CASH FLOWS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from premiums	$ 1,525,440
Cash payments for insurance claims	(1,252,042)
Net Cash Provided by Operating Activities	273,398
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	28,760
Net Increase in Cash and Cash Equivalents	302,158
Cash and Cash Equivalents – Beginning	2,045,717
Cash and Cash Equivalents – Ending	$ 2,347,875
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	$ 288,243
Adjustments to reconcile net income to net cash	
Provided by operations:	
(Increase) /Decrease in:	
Receivables	(97)
Increase/(Decrease) in:	
Accrued liabilities	(14,748)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 273,398

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

GILROY UNIFIED SCHOOL DISTRICT

FIDUCIARY FUND – STATEMENT OF NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust	Agency Funds	
	Scholarship Funds	Student Body Funds	Total Fiduciary Funds
ASSETS			
Cash and cash equivalents	$ 763,479	$ 783,830	$ 1,547,309
Accounts receivable	823	–	823
Total assets	764,302	783,830	1,548,132
LIABILITIES			
Due to student groups	–	783,830	783,830
Total liabilities	–	783,830	783,830
NET POSITION			
Reserved for scholarships	764,302	–	764,302
Total net position	$ 764,302	$ –	$ 764,302

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

GILROY UNIFIED SCHOOL DISTRICT

FIDUCIARY FUND – CHANGES IN NET POSITION

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Private-Purpose Trust Scholarship Funds
ADDITIONS	
Investment Income	$ 27,740
DEDUCTIONS	
Operating Expense	31,385
Change in Net Position	(3,645)
NET POSITION	
Net Position – July 1, 2019	767,947
Net Position – June 30, 2020	$ 764,302

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. HISTORY OF DISTRICT

Gilroy Unified School District is located in the southernmost region of Santa Clara County. It is one of a few districts in the county that continues to grow. Over the last 19 years, the student population has grown from 8,448 in 1993-1994 to more than 11,000 K -12 students today.

The surrounding Gilroy community has experienced growth in housing and industry. Known for its garlic fields, the agricultural areas that surround Gilroy provide a diverse array of agribusiness opportunities for its occupants. The town has also become home to commuters in Silicon Valley and San Jose. Even with the current economic downturn, many of the agribusinesses and other operations are thriving.

The Gilroy Unified School District was established in July 1, 1966, under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K -12 as mandated by the State and Federal agencies. The District operates eight elementary schools, three middle schools, three high schools, one community day school, one independent study school, one continuation school, and an adult school.

B. REPORTING ENTITY

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

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. For financial reporting purposes, the component unit has a financial and operational relationship which meets the reporting entity definition criteria of the Governmental Accounting Standards Board (GASB) Statement No. 14, The Financial Reporting Entity, and thus is included in the financial statements of the District. The component unit, although a legally separate entity, is reported in the financial statements using the blended presentation method as if it were part of the District's operations because the governing board of the component unit is essentially the same as the governing board of the District and because its purpose is to finance the construction of facilities to be used for the direct benefit of the District.

The Building Corporation's financial activity is presented in the financial statements as a sub fund of the Building fund, Capital Facilities fund and Tax Override fund. Certificates of participation issued by the Corporation are included as long-term liabilities in the government-wide financial statements. Individually-prepared financial statements are not prepared for the Building Corporation.

C. ACCOUNTING POLICIES

The Gilroy Unified School District (the District) accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. For state entitlement programs, the District has elected to match the revenues in the period that program expenditures are made to be consistent with the accounting for grants and other revenues.

D. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets and liabilities, with the difference between the two presented as net position. Net position is reported as one of three categories: invested in capital assets, net of related debt; restricted; or unrestricted. Restricted net position is further classified as either net position restricted by enabling legislation or net assets that are otherwise restricted.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense function. Interest on long-term liabilities is considered an indirect expense and is reported separately in the Statement of Activities.

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all non-major funds are aggregated into one column. Fiduciary funds are reported by fund type.

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e., balance sheet and statement of revenues, expenditures, and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

F. FUND ACCOUNTING

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

F. FUND ACCOUNTING (CONTINUED)

The District funds are as follows:

Major Governmental Funds:

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

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

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

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

Non-Major Governmental Funds:

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

The Adult Education Fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs.

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

The Deferred Maintenance Fund is used to account separately for State apportionments and the District's contributions for deferred maintenance purposes (Education Code Sections 17582-17587) and for items of maintenance approved by the State Allocation Board.

The Debt Service Funds are used to account for the accumulation of restricted, committed, or assigned resources for the payment of principal and interest on general long-term obligations.

The Tax Override Fund is used for the repayment of voted indebtedness (other than Bond Interest and Redemption Fund repayments) to be financed from ad valorem tax levies.

F. FUND ACCOUNTING (CONTINUED)

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

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

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

Proprietary Fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The District has only one following proprietary fund:

Internal Service Funds may be used to account for any activity for which services are provided to other funds of the District on a cost-reimbursement basis. The District operates a Self-Insurance fund that is accounted for in an internal service fund.

Fiduciary Funds are used to account for assets held in trustee or agent capacity for others that cannot be used to support the district's own programs. The fiduciary fund category includes Trust and agency funds.

The Private – Purpose Trust Fund is used to account for assets held by the District as a trustee. The District maintains a private-purpose trust fund, the Scholarship fund, to provide scholarships to students of the District.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The District's agency funds include Associate Student Body that accounts for student body activities (ASB) and Foundation Fund. The District uses agency funds for student body funds to account for the raising and expending of money to promote the general welfare, morale and educational experience of the student body. These funds' activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These funds are custodial in nature and do not involve measurement of results of operations. Accordingly, the District presents only a statement of fiduciary net assets and does not present a statement of changes in fiduciary net assets. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. Fiduciary funds are presented on an economic resources measurement focus and the accrual basis of accounting, similar to the government-wide financial statements.

G. BUDGETS AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

During the year, budget revisions by the District's governing board and district superintendent give consideration to unanticipated revenue and expenditures. The final revised budgets are presented in the financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by major object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account. The budgets are revised during the year by the District's Board of Education and District Superintendent to provide for unanticipated revenues and expenditures.

H. ENCUMBRANCES

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated at June 30.

I. REVENUES – EXCHANGE AND NON-EXCHANGE TRANSACTIONS

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 90 days of fiscal year-end.

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

J. UNEARNED REVENUE

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

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

K. EXPENSES/EXPENDITURES

On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable, and typically paid within 90 days. Principal and interest on long-term obligations, which have not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

L. CASH AND CASH EQUIVALENTS

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Cash equivalents also include cash with county treasury balances for purposes of the statement of cash flows.

M. INVESTMENTS

Investments held at June 30, 2020, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

N. STORES INVENTORIES

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

O. CAPITAL ASSETS AND DEPRECIATION

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

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Asset Class	Estimated Useful Life in Years
Buildings and improvements	7-50 (case by case)
Furniture and equipment	3-10 (case by case)

P. INTERFUND BALANCES

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables". These amounts are eliminated in the governmental and business-type activities columns of the statement of net position.

Q. COMPENSATED ABSENCES

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

Sick leave is accumulated without limit for each employee at the rate of one day for each month worked. Leave with pay is provided when employees are absent for health reasons; however, the employees do not gain a vested right to accumulated sick leave except paraprofessional employees who are members of the California School Employees' Association (CSEA) and Gilroy Federation of Teachers and Paraprofessionals (GFT). The CSEA and GFT paraprofessional employees are paid for 25 percent of accumulated unused sick leave balance at termination of employment. Therefore, the value of accumulated sick leave is recognized as a liability in the District's financial statements. However, credit for unused sick leave is applicable to all classified school members who retire after January 1, 1999. At retirement, each member will receive .004 year of service credit for each day of unused sick leave.

R. LONG-TERM OBLIGATIONS

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

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

S. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

T. LOCAL CONTROL FUNDING FORMULA/PROPERTY TAX

The District's local control funding formula is received from a combination of local property taxes, state apportionments, and other local sources.

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

The County Auditor reports the amount of the District's allocated property tax revenue to the California Department of Education. Property taxes are recorded as local control funding formula (LCFF) sources by the District.

The California Department of Education reduces the District's entitlement by the District's local property tax revenue. The balance is paid from the State General Fund, and is known as the state apportionment.

U. FUND BALANCE

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable: This classification includes amounts that are not expected to be converted to cash, such as resources that are not in a spendable form (e.g. inventories and prepaids) or that are legally or contractually required to be maintained intact. The District has classified it revolving cash account as being Nonspendable as it is required to be maintained intact.

- Restricted: This classification includes amounts constrained to specific purposes by their providers or by law. The District has classified federal and state categorical programs as being restricted because their use is restricted by Statute. Debt service resources are to be used for future servicing of the general obligation bonds and are restricted through debt covenants.

- Committed: This classification includes amounts constrained to specific sources by the Board. For this purpose, all commitments of funds shall be approved by a majority vote of the Board. The constraints shall be imposed no later than the end of the reporting period of June 30, although the actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements.

- Assigned: This classification includes amounts which the Board or its designee intends to use for a specific purpose but are neither restricted nor committed. The Board delegates authority to assign funds to the assigned fund balance to the Superintendent or designee and authorizes the assignment of such funds to be made any time prior to the issuance of the financial statements. This classification also includes the remaining positive fund balance for all governmental funds except for the General Fund. The Agency has assigned funds for Other Capital Projects that are to be used for the repair and replacement of equipment.

- Unassigned: This classification includes the residual fund balance for the General Fund and includes the amount designated for economic uncertainties. To protect the District against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures, the Board maintains a minimum unassigned fund balance which includes a reserve for economic uncertainties equal to at least one month of average general fund expenditures or 7% of general fund expenditures and other financing uses. If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, the Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

When multiple types of funds are available for an expenditure, the District shall first utilize funds from the restricted fund balance as appropriate, then from committed fund balance, then from the assigned fund balance, and lastly from the unassigned fund balance.

V. NET POSITION

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

W. OPERATING REVENUES AND EXPENSES

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are primarily interfund insurance premiums. Operating expenses are necessary costs incurred to provide the goods or services that are the primary activity of the fund.

X. INTERFUND ACTIVITY

Transfers between governmental activities in the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented in the financial statements.

Y. ESTIMATES

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

Z. PENSIONS

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

2. CASH AND CASH EQUIVALENTS

Cash at June 30, 2020 consisted of the following:

	Governmental Activities	Proprietary Activities	Fiduciary Activities	Total
Cash on hand and in banks	$ 1,754	$ –	$ 783,830	$ 785,584
Cash in revolving fund	50,000	–	–	50,000
Cash with fiscal agent	76,081	494,296	551,965	1,122,342
Cash in county treasury	95,817,137	1,853,579	211,514	97,882,230
Total Cash and Cash Equivalents	$ 95,944,972	$ 2,347,875	$ 1,547,309	$ 99,840,156

A. POLICIES AND PRACTICES

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies, certificates of participation, obligations with first priority security; and collateralized mortgage obligations.

B. CASH IN BANKS AND REVOLVING FUNDS

Cash balances held in banks and revolving funds are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured or collateralized.

C. CASH WITH FISCAL AGENT

Cash with Fiscal Agent represents funds held by third parties restricted for the repayment of General Obligation Bonds and Certificates of Participation.

D. CASH IN COUNTY TREASURY

The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The weighted average maturity of the pool is 517 days. The pool is rated AAA by Standard and Poor's. The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. The market value is 1.0119269% of the book value or $1,167,435 less. A market value adjustment has not been made.

E. INTEREST RATE RISK

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

F. CREDIT RISK

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measure by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the Districts' investment policy, or debt agreements, and the actual rating as of the year-end for each investment type.

G. CUSTODIAL CREDIT RISK –DEPOSITS

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. The District believes it has no significant custodial credit risk.

H. CUSTODIAL CREDIT RISK – INVESTMENTS

This is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. Of the total investment held at the Bank of New York, the District has a custodial credit risk exposure of $194,474 because the related securities are uninsured, unregistered and held by the brokerage firm which is also the counterparty for these securities. The District does not have a policy limiting the amount of securities that can be held by counterparties.

3. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Interfund Receivables/Payables

As of June 30, 2020, the interfund receivable and payable balances were as follows:

	Interfund Receivables	Interfund Payables
Major Funds		
General Fund	$ 764,091	$ –
Cafeteria Special Revenue Fund	–	764,091
Total	$ 764,091	$ 764,091

Interfund Transfers

There were no interfund transfers in 2020.

4. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020 is shown below:

	Balance July 1, 2019	Additions and Transfers In	Deletions and Transfers Out	Balance June 30, 2020
Non-depreciable assets:				
Land	$ 58,067,162	$ –	$ –	$ 58,067,162
Construction in progress	5,749,861	38,431,233	–	44,181,094
	63,817,023	38,431,233	–	102,248,256
Depreciable assets:				
Buildings and Improvements	395,804,362	37,691	–	395,842,053
Furniture and equipment	12,732,847	189,873	–	12,922,720
	408,537,209	227,564	–	408,764,773
Totals, at cost	472,354,232	38,658,797	–	511,013,029
Accumulated depreciation:				
Building and Improvements	114,291,076	9,455,280	–	123,746,356
Furniture and Equipment	10,172,329	823,854	–	10,996,183
	124,463,405	10,279,134	–	134,742,539
Depreciable assets, net	284,073,804	(10,051,570)	–	274,022,234
Capital assets, net	$ 347,890,827	$ 28,379,663	$ –	$ 376,270,490

The entire amount of depreciation expense was unallocated in the Statement of Activities.

5. LONG-TERM LIABILITIES

Schedule of Changes in Long-Term Liabilities

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Amounts Due Within One Year
General Obligation Bond	$ 280,790,728	$ 124,765,082	$ 117,500,635	$ 288,055,175	$ 9,355,000
Certificates of Participation	25,110,000	-	865,000	24,245,000	880,000
Accumulated vacation	106,499	26,084	-	132,583	-
Net Pension Liability	127,337,627	4,884,659	-	132,222,286	-
Subtotal	433,344,854	129,675,825	118,365,635	444,655,044	10,235,000
Unamortized general obligation bond premium	18,324,905	-	8,523,944	9,800,961	-
Unamortized certificates of participation premium	1,956,983	-	108,220	1,848,763	-
Unamortized Loss on Refunding	(7,515,107)	(9,092,913)	-	(16,608,020)	-
Total long term obligation	$ 446,111,635	$ 120,582,912	$ 126,997,799	$ 439,696,748	$ 10,235,000

Payment of the general obligation bonds are made out of the Bond Interest and Redemption Fund. The Bond Interest and Redemption Fund receives property tax revenues which are used solely to repay the principal and interest due on these obligations. The payments on the 2016 Certificates of Participation are made by the Capital Facilities Fund. The accrued vacation will be paid by the fund for which the employee worked.

General Obligation Bonds

In February 2015, the District issued General Obligation Bonds, Election of 2008, Series 2015 (the "Series 2015 New Money Bonds") and General Obligation Refunding Bonds, Series 2015 (the "Series 2015 Refunding Bonds"), totaling $30,385,000 and $35,300,000, respectively. The Series 2015 New Money Bonds were issued to provide the funds necessary to pay the outstanding 2011 General Obligation Bond Anticipation Notes and finance specific construction, repair and improvement projects approved by the voters of the District. The Series 2015 Refunding Bonds were issued to refund a portion of the outstanding 2009 General Obligation Bonds (Election of 2008, Series A). The Series 2015 New Money and Refunding Bonds bear interest rates from 3% to 5% and are scheduled to mature through 2045. In January 2017, the District issued General Obligation Bonds, Election of 2016, Series 2017 (the "Series 2017 Bonds") totaling $60,000,000 to finance specific construction, repair and improvement projects approved by the voters of the District. In May 2019, the District issued General Obligation Bonds, Elections of 2008 and 2016, Series 2019 (the "Series 2019 Bonds") totaling $44,275,000 to finance specific construction, repair and improvement projects approved by the voters of the District, and to pay costs of delivery with respect to the Series 2019 Bonds. In October 2019, the District issued General Obligation Refunding Bonds, Series 2019 in the amount of $124,165,000 to refund all of the outstanding General Obligation Bonds, Election of 2008, Series 2013, the General Obligation Refunding Bonds, Series 2013 and the corresponding Gilroy School Facilities Financing Authority General Obligation Revenue Bonds, Series A, and to pay costs of issuance of the Refunding Bonds. Repayment of the Bonds are made from ad valorem property taxes levied and collected by Santa Clara County.

5. LONG-TERM LIABILITIES (CONTINUED)

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2019	Issued/ Accretion	Redeemed	Balance June 30, 2020
3/12/2009	08/01/32	3% - 6.81%	$ 49,986,615	$ 10,200,728	$ 600,082	$ 5,335,635	$ 5,465,175
2/27/2013	08/01/47	3.125% - 5%	110,670,000	110,110,000	-	110,110,000	-
2/3/2015	08/01/44	3% - 5%	30,385,000	30,385,000	-	-	30,385,000
2/3/2015	08/01/44	3% - 5%	35,300,000	34,650,000	-	155,000	34,495,000
1/5/2017	08/01/37	2% - 5%	60,000,000	51,170,000	-	-	51,170,000
5/14/2019	08/01/48	2.48% - 5.0%	28,955,000	28,955,000	-	1,215,000	27,740,000
5/14/2019	08/01/39	2.48% - 5.0%	15,320,000	15,320,000	-	685,000	14,635,000
10/31/2019	08/01/47	1.70% - 3.36%	124,165,000	-	124,165,000	-	124,165,000
			$ 454,781,615	$ 280,790,728	$ 124,765,082	$ 117,500,635	$ 288,055,175
						Premium on GO Bonds	$ 9,800,961
							$ 297,856,136

Debt Service Requirements to Maturity

The bonds mature through 2049 as follows:

Year Ending June 30	Principal	Interest to Maturity	Total
2021	$ 9,355,000	$ 10,118,976	$ 19,473,976
2022	9,325,000	9,812,658	19,137,658
2023	5,335,000	9,560,151	14,895,151
2024	5,400,000	9,381,901	14,781,901
2025	5,885,000	9,190,090	15,075,090
2026-2030	24,402,470	47,574,183	71,976,653
2031-2035	21,545,025	51,076,729	72,621,754
2036-2040	54,215,000	32,870,667	87,085,667
2041-2045	78,030,000	20,579,275	98,609,275
2046-2049	70,565,000	4,771,908	75,336,908
Total	$ 284,057,495	$ 204,936,537	$ 488,994,032
Total Accretion	3,997,680		
Total GO Bonds	$ 288,055,175		

5. LONG-TERM LIABILITIES (CONTINUED)

Certificates of Participation

The outstanding certificates of participation debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Balance June 30, 2019	Issued	Redeemed	Balance June 30, 2020
7/26/2016	04/01/39	2.0% - 4.0%	$ 27,870,000	$ 25,110,000	$ -	$ 865,000	$ 24,245,000
			$ 27,870,000	$ 25,110,000	$ -	$ 865,000	$ 24,245,000
						Premium on COP	$ 1,848,763
							$ 26,093,763

The aggregate principal outstanding for all issues is as follows:

Year Ending June 30	Principal	Interest	Total
2021	$ 880,000	$ 873,650	$ 1,753,650
2022	925,000	838,450	1,763,450
2023	945,000	801,450	1,746,450
2024	990,000	763,650	1,753,650
2025	1,035,000	724,050	1,759,050
2026-2030	5,805,000	2,965,250	8,770,250
2031-2035	7,070,000	1,725,700	8,795,700
2036-2039	6,595,000	501,900	7,096,900
Total	$ 24,245,000	$ 9,194,100	$ 33,439,100

6. EMPLOYEE RETIREMENT SYSTEMS

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

Plan Description

California Public Employees' Retirement System (CalPERS)

The District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report may be obtained from the CalPERS Headquarters, 400 Q Street, Sacramento, California 95811.

State Teachers' Retirement System (STRS)

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing, multiple-employer, public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement and disability benefits and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Headquarters, 100 Waterfront Place, West Sacramento, California 95605.

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	CalPERS		CalSTRS	
Hire date	Prior to January 1, 2013	On or after January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2% @ 55	2% @ 62	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	55	62	60	62
Monthly benefits, as a % of eligible compensation	2.0%	2.0%	2.0%	2.0%
Required employee contribution rates	7%	7%	10.25%	10.205%
Required employer contribution rates	19.721%	19.721%	17.10%	17.10%

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

Contributions

CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

STRS

Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method.

For the year ended June 30, 2020, the contributions reported as deferred outflows of resources related to pensions recognized as part of pension expense for each Plan were as follows:

	CalPERS	STRS	Total
Contributions - employer	$ 3,898,809	$ 8,983,628	$ 12,882,437
On behalf contributions - state	-	6,896,345	6,896,345
Total	$ 3,898,809	$ 15,879,973	$ 19,778,782

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

As of June 30, 2020, the District's reported net pension liabilities for its proportionate share of the net pension liability of the Plans' of:

	Proportionate Share of Net Pension Liability
CalPERS	$ 41,601,917
STRS	90,620,369
Total Net Pension Liability	$ 132,222,286

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

Measurement Dates	Fiscal Year	CalPERS	STRS
June 30, 2018	2018-19	0.14523%	0.09642%
June 30, 2019	2019-20	0.14274%	0.10034%
Change - Increase (Decrease)		-0.00249%	0.00392%

For the year ended June 30, 2020, the District recognized pension expense of $4,803,238. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	CalPERS		STRS		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 3,898,809	$ -	$ 15,879,973	$ -	$ 19,778,782	$ -
Difference between proportionate share of aggregate employer contributions and actual contributions for 2018-19	-	670,318	-	2,762,829	-	3,433,147
Changes of Assumptions	4,693,118	101,768	28,883,424	-	33,576,542	101,768
Differences between Expected and Actual Experience	3,863,877	-	576,532	5,155,014	4,440,409	5,155,014
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	487,823	80,629	3,834,626	7,197,190	4,322,449	7,277,819
Net differences between projected and actual investment earnings on pension plan investments	1,243,342	-	-	4,483,834	1,243,342	4,483,834
Total	$ 14,186,969	$ 852,715	$ 49,174,555	$ 19,598,867	$ 63,361,524	$ 20,451,582

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows/(inflows) of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	CalPERS	STRS	Total Deferred Outflows/ (Inflows) of Resources
2021	$ 5,156,402	$ 1,227,101	$ 6,383,503
2022	2,942,581	2,060,257	5,002,838
2023	1,283,882	3,368,798	4,652,680
2024	52,580	4,070,875	4,123,455
2025	-	2,166,849	2,166,849
Thereafter	-	801,835	801,835
Total	$ 9,435,445	$ 13,695,715	$ 23,131,160

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	CalPERS	STRS
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

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

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

CalSTRS changed the mortality assumptions based on the July 1, 2010, through June 30, 2015, experience study adopted by the board in February 2017. CalSTRS uses a generational mortality assumption, which involves the use of a base mortality table and projection scales to reflect expected annual reductions in mortality rates at each age, resulting in increases in life expectancies each year into the future. The base mortality tables are CalSTRS custom tables derived to best fit the patterns of mortality among our members. The projection scale was set equal to 110% of the ultimate improvement factor from the Mortality Improvement Scale (MP2016) table issued by the Society of Actuaries.

Discount Rate

CalPERS

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

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

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

The table on the following page reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	CalPERS		
Asset Class	Assumed Asset Allocation	Real Return Years 1 – 10 [a]	Real Return Years 11+ [b]
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	100.0%		

[a] An expected inflation of 2.00% used for this period
[b] An expected inflation of 2.92% used for this period

Discount Rate

STRS

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

The long-term investment rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best-estimate ranges were developed using capital market assumptions from CalSTRS' general investment consultant (Pension Consulting Alliance) as inputs to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS' independent consulting actuary (Milliman) reviews the return assumptions for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically linked real rates of return and the assumed asset allocation for each major asset class, are summarized in the following table.

6. EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

	STRS	
Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return [(a)]
Global Equity	47.0%	4.80%
Fixed Income	12.0%	1.30%
Real Estate	13.0%	3.60%
Private Equity	13.0%	6.30%
Risk Mitigating Strategies	9.0%	1.80%
Inflation Sensitive	4.0%	3.30%
Cash/Liquidity	2.0%	-0.40%
Total	100%	

[(a)] 20-year average

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

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

	CalPERS		
	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability/(Asset)	$ 59,966,428	$ 41,601,917	$ 26,367,287

	STRS		
	Discount Rate - 1% (6.10%)	Current Discount Rate (7.10%)	Discount Rate + 1% (8.10%)
Plan's Net Pension Liability/(Asset)	$ 134,941,230	$ 90,620,369	$ 53,869,934

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS and STRS comprehensive annual financial reports.

Payable to the Pension Plan

As of June 30, 2020, the District had no outstanding required contributions to the pension plans.

7. FUND BALANCE

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund	Cafeteria Fund	Building Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:						
Revolving cash	$ 50,000	$ –	$ –	$ –	$ –	$ 50,000
Stores	–	94,095	–	–	–	94,095
Total Nonspendable	50,000	94,095	–	–	–	144,095
Restricted for:						
Adult Education Program	–	–	–	–	7,152	7,152
Medi-Cal Billing Option	525,451	–	–	–	–	525,451
Classified School Employee Professional Development Block Grant	49,384	–	–	–	–	49,384
Lottery: Instructional Materials	1,881,462	–	–	–	–	1,881,462
Ongoing & Major Maintenance Account	1,302,256	–	–	–	–	1,302,256
Child Development: Center-Based Reserve Account	–	–	–	–	169,285	169,285
Special Ed: Mental Health Services	115,768	–	–	–	–	115,768
Low-Performing Students Block Grant	371,711	–	–	–	–	371,711
State School Facilities Projects	–	–	–	–	753,472	753,472
Child Nutrition: School Programs	–	3,790	–	–	–	3,790
Other Restricted Local	–	–	48,160,152	15,173,457	3,741,572	67,075,181
Total Restricted	4,246,032	3,790	48,160,152	15,173,457	4,671,481	72,254,912
Assigned to:						
Home to School Transportation	350,000	–	–	–	–	350,000
Deferred Maintenance Needs	1,850,869	–	–	–	–	1,850,869
Textbook Adoptions	2,267,368	–	–	–	–	2,267,368
Equipment Replacement	950,000	–	–	–	–	950,000
Center of Teacher Innovation	250,000	–	–	–	–	250,000
LCAP - C/O - Centralized	886,331	–	–	–	–	886,331
LCAP - C/O - Sites	576,553	–	–	–	–	576,553
Other Assignments	–	–	–	–	1,476,813	1,476,813
Total Assigned	7,131,121	–	–	–	1,476,813	8,607,934
Unassigned:						
Economic uncertainties	8,920,773	–	–	–	–	8,920,773
Unassigned/Unappropriated	14,993,425	–	–	–	(419,831)	14,573,594
Total Unassigned	23,914,198	–	–	–	(419,831)	23,494,367
Total Fund Balances	$ 35,341,351	$ 97,885	$ 48,160,152	$ 15,173,457	$ 5,728,463	$104,501,308

8. COMMITMENTS AND CONTINGENCIES

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursement subsequently determined will not have a material effect on the District's financial position.

9. JOINT VENTURES

The District is a member of one joint powers authority (JPA): Santa Clara County Schools Insurance Group (SCCSIG) for property and liability insurance. The relationship between the District, the pools, and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes.

SCCSIG has budgeting and financial reporting requirements independent of member units and their financial statements are not presented in SCCSIG's financial statements; however, fund transactions between SCCSIG and the District are included in their statements. We obtained June 30, 2019 audited financial statements for SCCSIG. Condensed audited financial statements are as follows:

	SCCSIG* (Audited)
Total Assets	$ 26,104,195
Total Deferred Outflow of Resources	260,099
Total Liabilities	9,302,091
Total Deferred Inflow of Resources	44,693
Net Position	$ 17,017,510
Total Revenues	38,047,294
Total Expenditures	36,444,878
Increase (Decrease) in Net Position	$ 1,602,416

* June 30, 2019 was the most recent report availible

The District has appointed one board member to the Governing Board of SCCSIG. During the year ended June 30, 2020, the District made payments of $839,016 to SCCSIG.

10. LEASEBACK AGREEMENT

On June 18, 2019 the District entered into a lease-leaseback agreement with Flint Builders, Inc. (the "Contractor") related to the construction of a multipurpose building in accordance with California Education Code section 17406. The agreement is structured so that the District leases the construction site to the Contractor during the construction period. Concurrently, the Contractor leases the site back to the District under a sublease agreement. The terms of the agreement were from June 18, 2019 to twelve months after whichever of the following comes first:

1. The date the District takes beneficial occupancy of the final phase of the Project; or
2. The date of substantial completion, as defined in the agreement.

The total of the lease-leaseback agreement was $2,868,919 and to be paid in monthly installments of $100,000 from the District to the Contractor until August 1, 2021, at which point all amounts outstanding will be paid to the contractor.

At June 30, 2020, the remaining balance to be paid in according with the lease-leaseback agreement is as follows:

June 30,	Amount
2021	$ 1,668,919
Total	$ 1,668,919

11. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the novel coronavirus ("COVID-19") a global pandemic and recommended containment and mitigation measures worldwide. This contagious disease outbreak, which has continued to spread, and any related adverse public health developments, has adversely affected public education, workforces, economies, and financial markets globally, potentially leading to an economic downturn. It has also disrupted the normal operations of many businesses and organizations. It is not possible for management to predict the duration or magnitude of the adverse results of the outbreak and its disruptive effects on the District's operations and financial results at this time.

The District's management has reviewed its financial statements and evaluated subsequent events for the period of time from its year ended June 30, 2020 through October 13, 2020, the date the financial statements were issued. Management is not aware of any subsequent events, other than those described above, that would require recognition or disclosure in the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
LCFF revenue	$ 111,078,668	$ 112,446,247	$ 114,739,891	$ 2,293,644
Federal revenue	6,756,952	9,020,059	7,303,118	(1,716,941)
Other state revenues	9,620,840	14,986,433	13,060,268	(1,926,165)
Other local revenues	1,490,321	2,070,324	1,732,689	(337,635)
Total revenues	128,946,781	138,523,063	136,835,966	(1,687,097)
EXPENDITURES				
Certificated salaries	54,741,010	54,930,281	53,144,959	1,785,322
Classified salaries	19,508,306	20,042,052	18,895,680	1,146,372
Employee benefits	31,051,917	32,824,474	31,794,469	1,030,005
Books and supplies	5,447,764	13,956,398	4,456,210	9,500,188
Services and other operating expenditures	15,490,115	20,437,253	15,472,555	4,964,698
Capital outlay	632,487	954,046	238,337	715,709
Other outgo	3,768,305	3,597,563	3,437,409	160,154
Total expenditures	130,639,904	146,742,067	127,439,619	19,302,448
Net change in fund balances	(1,693,123)	(8,219,004)	9,396,347	17,615,351
Fund balances, July 1, 2019	25,945,004	25,945,004	25,945,004	–
Fund balances, June 30, 2020	$ 24,251,881	$ 17,726,000	$ 35,341,351	$ 17,615,351

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL

CAFETERIA FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budget			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Federal revenue	4,904,130	4,904,130	3,981,176	(922,954)
Other state revenues	288,044	406,914	321,430	(85,484)
Other local revenues	1,067,445	1,053,794	1,121,346	67,552
Total revenues	6,259,619	6,364,838	5,423,952	(940,886)
EXPENDITURES				
Classified salaries	1,963,314	1,943,683	1,849,890	93,793
Employee benefits	838,818	980,811	766,200	214,611
Books and supplies	29,834	65,361	28,499	36,862
Services and other operating expenditures	3,172,626	3,213,276	2,516,059	697,217
Other outgo	184,265	194,965	263,305	(68,340)
Total expenditures	6,188,857	6,398,096	5,423,953	974,143
Net change in fund balances	70,762	(33,258)	(1)	33,257
Fund balances, July 1, 2019	25,945,004	25,945,004	97,886	25,847,118
Fund balances, June 30, 2020	$ 26,015,766	$ 25,911,746	$ 97,885	$ (25,813,861)

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CalPERS	June 30, 2014 [1]	June 30, 2015 [1]	June 30, 2016 [1]	June 30, 2017 [1]	June 30, 2018 [1]	June 30, 2019 [1]
Proportion of the net pension liability (asset)	0.13474%	0.14030%	0.14407%	0.14483%	0.14523%	0.14274%
Proportionate share of the net pension liability (asset)	$ 15,296,437	$ 20,679,872	$ 28,454,449	$ 34,574,468	$ 38,724,205	$ 41,601,917
Covered payroll [2]	$ 13,749,155	$ 15,432,540	$ 14,744,304	$ 16,514,777	$ 16,472,057	$ 18,108,352
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	111.25%	134.00%	192.99%	209.35%	235.09%	229.74%
Plan fiduciary net position as a percentage of the total pension liability (asset)	83.38%	79.43%	73.90%	71.87%	70.85%	70.05%
Proportionate share of aggregate employer contributions [3]	$ 1,618,413	$ 1,828,293	$ 2,047,689	$ 2,564,910	$ 2,975,183	$ 3,571,148

STRS	June 30, 2014 [1]	June 30, 2015 [1]	June 30, 2016 [1]	June 30, 2017 [1]	June 30, 2018 [1]	June 30, 2019 [1]
Proportion of the net pension liability (asset)	0.09888%	0.10380%	0.09988%	0.09424%	0.09642%	0.10034%
Proportionate share of the net pension liability (asset)	$ 57,784,450	$ 69,884,251	$ 80,785,753	$ 87,151,488	$ 88,613,422	$ 90,620,369
Covered payroll [2]	$ 40,918,243	$ 39,872,917	$ 42,458,124	$ 43,542,349	$ 45,491,560	$ 51,345,591
Proportionate Share of the net pension liability (asset) as a percentage of covered payroll	141.22%	175.27%	190.27%	200.15%	194.79%	176.49%
Plan fiduciary net position as a percentage of the total pension liability (asset)	76.52%	74.02%	70.04%	69.46%	70.99%	72.56%
Proportionate share of aggregate employer contributions [3]	$ 3,633,540	$ 4,278,364	$ 5,341,232	$ 6,283,161	$ 7,406,026	$ 8,780,096

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered payroll is the payroll on which contributions to a pension plan are based.

(3) The Plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The Plan's proportionate share of aggregate contributions is based on the Plan's proportion of fiduciary net position as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

CalPERS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)
Contractually required contribution (2)	$ 1,618,413	$ 1,828,293	$ 2,047,689	$ 2,564,910	$ 2,975,183	$ 3,571,148
Contributions in relation to the contractually required contribution (2)	(1,776,920)	(2,047,315)	(2,565,408)	(2,979,973)	(3,612,801)	(3,898,809)
Contribution deficiency (excess)	$ (158,507)	$ (219,022)	$ (517,719)	$ (415,063)	$ (637,618)	$ (327,661)
Covered payroll (3)	$ 13,749,155	$ 15,432,540	$ 14,744,304	$ 16,514,777	$ 16,472,057	$ 18,108,352
Contributions as a percentage of covered payroll (3)	11.771%	11.847%	13.888%	15.531%	18.062%	19.721%

STRS	Fiscal Year 2014-15 (1)	Fiscal Year 2015-16 (1)	Fiscal Year 2016-17 (1)	Fiscal Year 2017-18 (1)	Fiscal Year 2018-19 (1)	Fiscal Year 2019-20 (1)
Contractually required contribution (2)	$ 3,633,540	$ 4,278,364	$ 5,341,232	$ 6,283,161	$ 7,406,026	$ 8,780,096
Contributions in relation to the contractually required contribution (2)	(4,227,720)	(5,383,474)	(6,504,361)	(7,479,391)	(8,814,006)	(8,983,628)
Contribution deficiency (excess)	$ (594,180)	$ (1,105,110)	$ (1,163,129)	$ (1,196,230)	$ (1,407,980)	$ (203,532)
Covered payroll (3)	$ 40,918,243	$ 39,872,917	$ 42,458,124	$ 43,542,349	$ 45,491,560	$ 51,345,591
Contributions as a percentage of covered payroll (3)	8.880%	10.730%	12.580%	14.430%	16.280%	17.100%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the contractually required contributions. However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the contractually required contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered payroll is the payroll on which contributions to a pension plan are based.

1. PURPOSE OF SCHEDULES

A. Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund and Cafeteria Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Trustees to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund and the Cafeteria Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

B. Schedule of Proportionate Share of Net Pension Liability

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

<u>Changes in Assumptions</u>
There were no changes in the assumptions used in the calculation of both the PERS and STRS collective net pension liabilities.

<u>Changes in Benefit Terms</u>
There were no changes in benefit terms since the previous valuations for both CalPERS and CalSTRS.

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

1. PURPOSE OF SCHEDULES (CONTINUED)

C. Schedule of Pension Contributions

If an employer's contributions to the plans are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plans (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll. In the future, as data becomes available, ten years of information will be presented.

Fiscal year 2015 was the first year of implementation, therefore only six years are shown.

	CalPERS	STRS
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost	Entry-Age Normal Cost
Actuarial Assumptions		
Discount Rate	7.15%	7.10%
Inflation	2.50%	2.75%
Payroll Growth Rate	2.75%	3.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return (1)	7.15%	7.10%
Mortality	Derived using CalPERS' Membership Data for all Funds	Derived using STRS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

SUPPLEMENTARY INFORMATION

GILROY UNIFIED SCHOOL DISTRICT

COMBINING BALANCE SHEET

ALL NON-MAJOR FUNDS

JUNE 30, 2020

	Adult Education Fund	Capital Facilities Fund	Child Development Fund	County School Facilities Fund	Tax Override Fund	Total
ASSETS						
Cash and cash equivalents	$ 33,279	$ 2,421,765	$ 97,879	$ 2,442,527	$ 640,341	$ 5,635,791
Accounts receivable	27,661	8,133	72,142	10,039	–	117,975
Total assets	$ 60,940	$ 2,429,898	$ 170,021	$ 2,452,566	$ 640,341	$ 5,753,766
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 464	$ 8,441	$ 33	$ 15,662	$ –	$ 24,600
Total liabilities	464	8,441	736	15,662	–	25,303
Fund balances						
Restricted	60,476	944,644	169,285	2,708,193	788,883	4,671,481
Assigned	–	1,476,813	–	–	–	1,476,813
Unassigned	–	–	–	(271,289)	(148,542)	(419,831)
Total fund balances	60,476	2,421,457	169,285	2,436,904	640,341	5,728,463
Total liabilities and fund balances	$ 60,940	$ 2,429,898	$ 170,021	$ 2,452,566	$ 640,341	$ 5,753,766

GILROY UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

ALL NON-MAJOR FUNDS

JUNE 30, 2020

	Adult Education Fund	Capital Facilities Fund	Child Development Fund	County School Facilities Fund	Tax Override Fund	Total
REVENUES						
Other state revenues	$ 18,704	$ –	$ 981,047	$ –	$ –	$ 999,751
Other local revenues	288,929	998,714	2,645	47,369	190	1,337,847
Total revenues	307,633	998,714	983,692	47,369	190	2,337,598
EXPENDITURES						
Certificated salaries	150,787	–	360,160	–	–	510,947
Classified salaries	34,048	–	236,399	–	–	270,447
Employee benefits	64,247	–	298,244	–	–	362,491
Books and supplies	29,884	38,684	8,524	–	–	77,092
Services and other operating expenditures	4,259	26,061	27,763	10,457	–	68,540
Other outgo	13,362	–	49,957	–	–	63,319
Debt service expenditures	–	1,764,600	–	–	–	1,764,600
Total expenditures	296,587	1,829,345	981,047	10,457	–	3,117,436
Net change in fund balances	11,046	(830,631)	2,645	36,912	190	(779,838)
Beginning Balance, July 1, 2019	49,430	3,252,088	166,640	2,399,992	640,151	6,508,301
Fund balances, June 30, 2020	$ 60,476	$ 2,421,457	$ 169,285	$ 2,436,904	$ 640,341	$ 5,728,463

GILROY UNIFIED SCHOOL DISTRICT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ALL AGENCY FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Assets:				
Cash on hand and in banks				
Brownwell Middle School	$ 22,880	$ 37,598	$ 28,777	$ 31,701
Christopher High School	288,171	526,198	532,992	281,377
South Valley Middle School	54,202	40,789	44,768	50,223
MT. Madonna High School	2,824	-	2,824	-
Ascencion Solorsano MS	53,170	37,199	55,729	34,640
Gilroy High School	341,436	534,770	526,153	350,053
Gilroy Early College Academy	15,896	51,860	31,920	35,836
Total Assets	$ 778,579	$ 1,228,414	$ 1,223,163	$ 783,830
Liabilities:				
Due to Student Groups	$ 778,579	$ 1,228,414	$ 1,223,163	$ 783,830

GILROY UNIFIED SCHOOL DISTRICT

ORGANIZATION

JUNE 30, 2020

The Gilroy Unified School District was established in July 1, 1966, under the laws of the State of California. The District operates under a locally elected seven-member Board form of government and provides educational services to grades K – 12 as mandated by the State and Federal agencies. The District operates eight elementary schools, three middle schools, two high schools, one early college high school, two independent study school, and one continuation school.

GOVERNING BOARD

Name	Office	Term Expires December
Mark W. Good	President	2020
Linda Piceno	Vice President	2022
Enrique Diaz	Member	2022
BC Doyle	Member	2020
Tuyen Fiack	Member	2022
James Pace	Member	2020

ADMINISTRATION

Dr. Deborah Flores
Superintendent

Alvaro Meza
Assistant Superintendent, Business Services

Kimberly Smith
Director of Fiscal Services

Paul Winslow
Assistant Superintendent, Human Resources

Anna Pulido
Director of Student Services

Kathleen Biermann
Director of Educational Services (Elementary)

Deborah Padilla
Director of Educational Services (Secondary)

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Second Period Report	Annual Report
Elementary		
TK through Third	2,944.95	2,944.95
Fourth through Sixth	2,338.73	2,338.73
Seventh through Eighth	1,682.22	1,682.22
Special Education	4.18	4.18
Extended Year	13.58	13.58
Subtotal	6,983.66	6,983.66
Secondary		
Regular Classes	3,464.50	3,464.50
Special Education	9.65	9.65
Extended Year	4.83	4.83
Continuation Education	153.13	153.13
Subtotal	3,632.11	3,632.11
Total	10,615.77	10,615.77

See the accompanying notes to supplementary information.

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Grade Level	Standard Minutes Requirement	2019-20 Actual Minutes	Instructional Days	Status
Kindergarten	36,000	49,974	180	In compliance
Grade 1	50,400	50,678	180	In compliance
Grade 2	50,400	50,688	180	In compliance
Grade 3	50,400	50,688	180	In compliance
Grade 4	54,000	54,508	180	In compliance
Grade 5	54,000	54,508	180	In compliance
Grade 6	54,000	56,358	180	In compliance
Grade 7	54,000	56,358	180	In compliance
Grade 8	54,000	56,358	180	In compliance
Grade 9	64,800	64,916	180	In compliance
Grade 10	64,800	64,916	180	In compliance
Grade 11	64,800	64,916	180	In compliance
Grade 12	64,800	64,916	180	In compliance

See the accompanying notes to supplementary information.

SCHEDULE OF CHARTER SCHOOLS

FOR FISCAL YEAR ENDED JUNE 30, 2020

Charter School ID Number	Charter Schools Chartered by the District	Included in the District Financial Statements, or Separate Report
1278	Gilroy Prep Academy/Navigator School	Separately Reported

See the accompanying notes to supplementary information.

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

There were no adjustments made to any funds of the District.

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal CFDA Number	Grantor and Program Title	Pass-Through Entity Identifying Number		Federal Expenditures
	U.S. Department of Education			
	Passed through California Department of Education			
	Special Education Cluster:			
84.027	Special Education: IDEA Basic Local Assistance Entitlement, Part B, Section 611	13379		$ 1,970,106
84.027	Special Education: IDEA Local Assistance, Part B, Sec 611, Private School ISPs	10115		9,603
84.027A	Special Ed: IDEA Mental Health Average Daily Attendance (ADA) Allocation, Part B, Sec 611	15197		138,968
84.173	Special Ed: IDEA Preschool Grants, Part B, Section 619 (Age 3-4-5)	13430		53,172
84.173A	Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	13431		1,057
	Subtotal Special Education Cluster			2,172,906
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected	14329	*	2,471,952
84.010	ESEA: ESSA School Improvement (CSI) Funding for LEAs	15438		135,980
84.048	Carl D. Perkins Career and Technical Education: Secondary, Section 131 (Vocational Education)	14894		68,960
84.011	ESEA (ESSA): Title I, Part C, Migrant Ed (Regular and Summer Program)	14326		144,967
84.011	ESSA (ESEA): Title I, Migrant Ed Summer Program	10005		15,103
84.367	ESEA (ESSA): Title II, Part A, Supporting Effective Instruction Local Grants	14341		433,141
84.365	ESEA (ESSA) : Title III, English Learner Student Program	14346		159,429
84.287	ESEA (ESSA): Title IV, Part B, 21st Century Community Learning Centers Program	14349		1,176,304
84.126	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006		105,007
	Total U.S. Department of Education			6,883,749
	U.S. Department of Agriculture			
	Passed through California Department of Education			
10.555	Child Nutrition: School Programs (NSL Sec 4)	13391		3,981,176
10.555	School Lunch Program - Nonmonetary Assistance	13391		349,645
	Total U.S. Department of Agriculture			4,330,821
	U.S. Department of Health and Human Services			
	Passed through California Department of Education			
93.778	Dept of Health Care Services (DHCS): Medi-Cal Administrative Activities	10013		317,093
93.778	Dept of Health Care Services (DHCS): Medi-Cal Billing Option	10013		102,276
	Total U.S. Department of Health and Human Services			419,369
	Total Federal Programs			$ 11,633,939

* Tested as a major program.

See the accompanying notes to supplementary information.

GILROY UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Adopted Budget 2020/2021	Actuals 2019/2020	Actuals 2018/2019	Actuals 2017/2018
General Fund				
Revenues and Other Financial Sources	$ 145,726,084	136,835,966	$ 137,013,192	$ 124,945,386
Expenditures	153,291,122	127,439,619	133,545,523	127,115,868
Other Uses and Transfers Out	-	-	-	-
Total Outgo	153,291,122	127,439,619	133,545,523	127,115,868
Change in Fund Balance	(7,565,038)	9,396,347	3,467,669	(2,170,482)
Ending Fund Balance	$ 27,776,313	$ 35,341,351	$ 25,945,004	$ 22,477,335
Available Reserves *	$ 27,726,313	$ 23,914,198	$ 16,602,844	$ 13,535,519
Designated for Economic Uncertainties	$ 10,730,379	$ 8,920,773	$ 9,348,187	$ 8,898,110
Undesignated Fund Balance	$ 16,995,934	$ 14,993,425	$ 7,254,657	$ 4,637,409
Available Reserves as a Percentage of Total Outgo	18.1%	18.8%	10.1%	10.6%
All Funds				
Total Long-Term Debt	$ 434,420,044	$ 444,655,044	$ 433,344,854	$ 389,882,861
Actual Daily Attendance at P-2 (Exclusive of Adult ADA)	10,652	10,652	10,501	10,639

*Available reserves consist of all undesignated fund balances and all funds designated for economic uncertainty contained within the General Fund

The General Fund fund balance has increased by $10,693,534 over the past three years. The District projects a decrease of $7,565,038 for the fiscal year ending June 30, 2021. For a district this size, the State of California recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo). For the year ended June 30, 2020, the District has met this requirement.

The District has incurred operating surpluses in two of the past three years, but anticipates an operating deficit during the 2020-2021 fiscal year.

Total long-term liabilities have increased by $54,772,183 over the past two years due to the addition of the net pension liability and issuances of new bonds.

Average Daily Attendance (ADA) has increased by 13 over the past two years and attendance is budgeted to remain consistent for the fiscal year 2020-2021.

1. SCHEDULE OF AVERAGE DAILY ATTENDANCE

Average daily attendance is a measurement of the number of pupils attending classes of the District. The purpose of attendance accounting from a fiscal standpoint is to provide the basis on which apportionments of state funds are made to school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

2. SCHEDULE OF INSTRUCTIONAL TIME

This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46206. Districts must maintain their instructional minutes at the State's standard requirements as required by Education Code Section 46201(b).

3. SCHEDULE OF CHARTER SCHOOLS

This schedule provides information for the California Department of Education to monitor financial reporting by Charter Schools.

4. RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS

This schedule provides information necessary to reconcile the Annual Financial and Budget Report to the audited financial statements.

5. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District and is presented under the modified accrual basis of accounting. The August 2020 Edition of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance) requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with the Uniform Guidance and state requirements. Therefore, some amounts presented in this schedule may differ from amounts used in the preparation of the general purpose financial statements. The District has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The schedule on the following page provides a reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards. The reconciling amount consists of the fair value of federal food commodities received from the California Department of Education as a pass-through grant from the U.S. Department of Agriculture that are not reflected in the financial statements.

5. SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

	Federal Catalog Number	Amount
Total Federal Revenues from the Statement of Revenues, Expenditures, and Changes in Fund Balance		$ 11,284,294
Reconciling items		
Food Distribution – Commodities	10.555	349,645
Total Schedule of Expenditures of Federal Awards		$ 11,633,939

6. SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

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

OTHER INDEPENDENT AUDITOR'S REPORTS

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH STATE LAWS AND REGULATIONS

Board of Education
Gilroy Unified School District
Gilroy, California

Report on Compliance for Each State Program

We have audited the compliance of Gilroy Unified School District (the "District") with the types of compliance requirements described in the State of California's 2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting (the "Audit Guide") to the state laws and regulations listed below for the year ended June 30, 2020.

Management's Responsibility

Compliance with the requirements of state laws and regulations is the responsibility of District's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State of California's 2019-20 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the District's compliance with those requirements.

Local Education Agencies Other Than Charter Schools

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	No, see below
Continuation Education	Yes
Instructional Time for School Districts	Yes
Instructional Materials	
General Requirements	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive Program	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No, see below
Comprehensive School Safety Plan	Yes
District of Choice	No, see below

School Districts, County Offices of Education and Charter Schools	
Description	Procedures Performed
California Clean Energy Jobs Act	Yes
After/Before Schools Education and Safety Program	
General requirements	Yes
After School	Yes
Before School	No, see below
Proper Expenditure of Education Protection Account Fund	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study-Course Based	No, see below

Charter Schools	
Description	Procedures Performed
Attendance	No, see below
Mode of Instruction	No, see below
Nonclassroom-Based Instruction/Independent Study	No, see below
Determination of Funding for Nonclassroom-Based Instruction	No, see below
Annual Instructional Minutes – Classroom Based	No, see below
Charter School Facility Grant Program	No, see below

We did not perform any procedures for Independent Study because ADA for this program is below the materiality threshold.

We did not perform any procedures related to Juvenile Court Schools, Early Retirement Incentive Program, Apprenticeship: Related and Supplemental Instruction, District of Choice and Independent Study-Course Based because the District did not offer these programs.

We did not perform procedures related to Before School requirements for the After/Before Schools Education and Safety Program because the District's before school program was not funded with After /Before School Education and Safety funding.

We did not perform any procedures related to Attendance Reporting for Charter Schools, Mode of Instruction for Charter Schools, Nonclassroom-Based Instruction/Independent Study for Charter Schools, Determination of Funding for Nonclassroom-Based Instruction for Charter Schools, Annual Instructional Minutes-Classroom Based for Charter Schools, and Charter School Facility Grant Program because the District did not have any charter schools.

Opinion on Compliance with State Laws and Regulations

In our opinion, Gilroy Unified School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2020.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 13, 2020

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Gilroy Unified School District
Gilroy, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Gilroy Unified School District (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 13, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 13, 2020

James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

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

INDEPENDENT AUDITOR'S REPORT

Board of Education
Gilroy Unified School District
Gilroy, California

Report on Compliance for Each Major Federal Program

We have audited the Gilroy Unified School District's (the "District") compliance with the types of compliance requirements described in the August 2020 Edition of the OMB Compliance Supplement that could have a direct and material effect on each of District's major federal programs for the year ended June 30, 2020. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of the August 2020 Edition of the Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards (Uniform Guidance), Audits of States, Local Governments, and Non-Profit Organizations. Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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e-mail: jmarta@jpmcpa.com www.jpmcpa.com

Opinion on Each Major Federal Program

In our opinion, the District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Internal Control Over Compliance

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

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

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

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 13, 2020

FINDINGS AND RECOMMENDATIONS

Section I – Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:
Summary of Opinions

Opinion Unit	Type of Opinion
Governmental Activities	Unmodified
Major Funds	Unmodified
Aggregate Remaining Fund Information	Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ Yes	__X__ None reported
Noncompliance material to financial statements noted?	______ Yes	__X__ No

Federal Awards

Type of auditor's report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified?	______ Yes	__X__ No
Significant deficiency(ies) identified not considered to be material weaknesses?	______ Yes	__X__ None reported
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance, Section 200.516(a)?	______ Yes	__X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
84.010	ESEA (ESSA): Title I, Part A, Basic Grants Low-Income and Neglected

Dollar threshold used to distinguish between Type A and Type B programs: $750,000

Auditee qualified as low-risk auditee? __X__ Yes ______ No

State Awards

Type of auditor's report issued on compliance for state programs: Unmodified

Internal control over state programs:

Material weakness(es) identified?	______	Yes	X	No
Significant deficiency(ies) identified not considered to be material weaknesses?	______	Yes	X	None reported

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were noted.

Section IV – State Award Findings and Questioned Costs

No matters were reported.

No matters were reported.

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APPENDIX C

PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

Upon issuance and delivery of the New Money Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the New Money Bonds in substantially the following form:

[Date of Delivery]

Gilroy Unified School District
Gilroy, California

Gilroy Unified School District
(Santa Clara County, California)
General Obligation Bonds, Election of 2016, Series 2021
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Gilroy Unified School District (the "District"), which is located in the County of Santa Clara (the "County"), in connection with the issuance by the District of $94,680,000 aggregate principal amount of bonds designated as "Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021" (the "New Money Bonds"), representing part of an issue in the aggregate principal amount of $170,000,000 authorized at an election held in the District on June 7, 2016. The New Money Bonds are issued under and pursuant to a resolution of the Board of Education of the District adopted on February 11, 2021 (the "Resolution").

In such connection, we have reviewed the Resolution, the Tax Certificate of the District, dated the date hereof (the "Tax Certificate"), relating to the New Money Bonds maturing on and after August 1, 2022 (the "Tax-Exempt Bonds"), certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the New Money Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the New Money Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the New Money Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to ensure that future actions, omissions or events will not cause interest on the Tax-Exempt Bonds to be included in gross income for federal income tax purposes. We call attention to the fact that the rights and obligations under the New Money Bonds, the Resolution and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts or counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated March 2, 2021, or other offering material relating to the New Money Bonds and express no opinion with respect thereto.

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

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

2. The Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.

3. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the New Money Bonds and the interest thereon.

4. Interest on the Tax-Exempt Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Tax-Exempt Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the New Money Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the New Money Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

Upon issuance and delivery of the Refunding Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Refunding Bonds in substantially the following form:

[Date of Delivery]

Gilroy Unified School District
Gilroy, California

Gilroy Unified School District
(Santa Clara County, California)
General Obligation Refunding Bonds, Series 2021 (Federally Taxable)
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Gilroy Unified School District (the "District"), which is located in the County of Santa Clara (the "County"), in connection with the issuance by the District of $16,475,000 aggregate principal amount of Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the "Refunding Bonds"), pursuant to a resolution of the Board of Education of the District adopted on February 11, 2021 (the "Resolution"). Capitalized undefined terms used herein have the meanings ascribed thereto in the Resolution.

In such connection, we have reviewed the Resolution, certificates of the District, the County and others, and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after original delivery of the Refunding Bonds on the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after original delivery of the Refunding Bonds on the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Refunding Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all covenants and agreements contained in the Resolution. We call attention to the fact that the rights and obligations under the Refunding Bonds and the Resolution and their enforceability may be subject to bankruptcy, insolvency, receivership, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases and to the limitations on legal remedies against school districts or counties in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute or having the effect of a penalty), right of set-off, arbitration, judicial reference, choice of law, choice of forum, choice of venue, non-exclusivity of remedies, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the state or quality of title to or interest in any of the assets described in or as subject to the lien of the Resolution, or the accuracy or sufficiency of the description contained therein of, or the remedies available to enforce liens on, any such assets. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement, dated March 2, 2021, or other offering material relating to the Refunding Bonds and express no opinion with respect thereto.

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

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

2. The Resolution has been duly and legally adopted and constitutes a valid and binding obligation of the District.

3. The Board of Supervisors of the County has power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property within the District's boundaries subject to taxation by the District (except certain personal property which is taxable at limited rates) for the payment of the Refunding Bonds and the interest thereon.

4. Interest on the Refunding Bonds is exempt from State of California personal income taxes. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Refunding Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

FORMS OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the Gilroy Unified School District (the "District") in connection with the issuance of $94,680,000 aggregate principal amount of Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on February 11, 2021 (the "Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean 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 a written acceptance of such designation.

"Financial Obligation" shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), 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 defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Official Statement, dated March 2, 2021 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

"Participating Underwriter" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (which due date shall be April 1 of each year, so long as the District's fiscal year ends on June 30), commencing with the report for the 2020-21 Fiscal Year (which is due not later than April 1, 2022), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; 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 to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

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

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, 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 provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) The adopted budget of the District for the then-current fiscal year.

(ii) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role.

(iii) If the County of Santa Clara (the "County") no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.

(iv) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

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 events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers or their failure to perform;

(v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the District; or

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Bond Holders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bond holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is 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 a filing with the MSRB.

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 such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc.

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 Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, 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 the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as 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.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 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 required to be filed pursuant to this Disclosure Certificate, 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 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 or any other event required to be reported.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County or in U.S. District Court in or nearest to the County. 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. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Disclosure Certificate using an electronic signature, it is signing, adopting and accepting this Disclosure Certificate and that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Dated: March 11, 2021

GILROY UNIFIED SCHOOL DISTRICT

By: ______________________________

ACCEPTED AND AGREED TO:

ISOM ADVISORS, A DIVISION OF
URBAN FUTURES, INC.,
as Dissemination Agent

By: ______________________________
Authorized Signatory

EXHIBIT A

NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	GILROY UNIFIED SCHOOL DISTRICT
Name of Issue:	Gilroy Unified School District (Santa Clara County, California) General Obligation Bonds, Election of 2016, Series 2021
Date of Issuance:	March 11, 2021

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated March 11, 2021. [The District anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

GILROY UNIFIED SCHOOL DISTRICT

CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate") is executed and delivered by the Gilroy Unified School District (the "District") in connection with the issuance of $16,475,000 aggregate principal amount of Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable) (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on February 11, 2021 (the "Resolution"). The District covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 hereof.

"Beneficial Owner" shall mean any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

"Dissemination Agent" shall mean 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 a written acceptance of such designation.

"Financial Obligation" shall mean, for the purposes of the Listed Events set out in Section 5(a)(x) and 5(b)(viii), 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 defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Holder" shall mean the person in whose name any Bond shall be registered.

"Listed Events" shall mean any of the events listed in Section 5(a) or (b) hereof.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" shall mean the Official Statement, dated March 2, 2021 (including all exhibits or appendices thereto), relating to the offer and sale of Bonds.

"Participating Underwriter" shall mean the original underwriter(s) of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports. (a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (which due date shall be April 1 of each year, so long as the District's fiscal year ends on June 30), commencing with the report for the 2020-21 Fiscal Year (which is due not later than April 1, 2022), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 hereof. The Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 hereof; provided, however, that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in a filing with the MSRB. The Annual Report shall be submitted on a standard form in use by industry participants or other appropriate form and shall identify the Bonds by name and CUSIP number.

(b) Not later than 15 business days prior to the date specified in subsection (a), the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If the District is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the District shall, in a timely manner, send or cause to be sent to the MSRB a notice in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall:

(i) (if the Dissemination Agent is other than the District), provide any Annual Report received by it to the MSRB as provided herein; 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 to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided to the MSRB.

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

(a) Audited financial statements of the District for the preceding fiscal year, prepared in accordance with the laws of the State of California and including all statements and information prescribed for inclusion therein by the Controller of the State of California. If the District's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 3(a) hereof, 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 provided to the MSRB in the same manner as the Annual Report when they become available.

(b) To the extent not included in the audited financial statements of the District, the Annual Report shall also include the following:

(i) The adopted budget of the District for the then-current fiscal year.

(ii) Assessed value of taxable property in the District for the then-current fiscal year as shown on the most recent equalized assessment role.

(iii) If the County of Santa Clara (the "County") no longer includes the tax levy for payment of the Bonds in its Teeter Plan, the property tax levies, collections, and delinquencies for the District for the most recently completed fiscal year.

(iv) Top ten property owners in the District for the then-current fiscal year, as measured by secured assessed valuation, the amount of their respective taxable value, and their percentage of total secured assessed value, if provided by the County.

Any or all of the items listed above may be set forth in one or a set of documents or may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been made available to the public on the MSRB's website. The District shall clearly identify each such other document so included by reference.

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 events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers or their failure to perform;

(v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the District; or

(x) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For the purposes of the event identified in subparagraph (ix), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph 5(a)(v), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Bond Holders;

(iii) Bond calls;

(iv) release, substitution, or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional paying agent or the change of name of a paying agent; or

(viii) incurrence of a Financial Obligation of the District, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect Bond holders.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3 hereof, as provided in Section 3(b) hereof.

(d) Upon the occurrence of a Listed Event described in Section 5(a), or upon the occurrence of a Listed Event described in Section 5(b) which the District determines would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(iii) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolution.

(e) The District intends to comply with the Listed Events described in subsection (a)(x) and subsection (b)(viii), and the definition of "Financial Obligation" in Section 1, with reference to the Rule, any other applicable federal securities laws and the guidance provided by the Securities and Exchange Commission in Release No. 34-83885, dated August 20, 2018 (the "2018 Release"), and any further amendments or written guidance provided by the Securities and Exchange Commission or its staff with respect to the amendments to the Rule effected by the 2018 Release.

Section 6. <u>Format for Filings with MSRB.</u> Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 7. <u>Termination of Reporting Obligation.</u> 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 a filing with the MSRB.

Section 8. <u>Dissemination Agent.</u> 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 such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Isom Advisors, a Division of Urban Futures, Inc.

Section 9. <u>Amendment; Waiver.</u> 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 Section 3(a) hereof, Section 4 hereof, or Section 5(a) or (b) hereof, 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 the type of business conducted;

(b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver either (i) is approved by the Holders in the same manner as 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.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. <u>Additional Information.</u> 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 required to be filed pursuant to this Disclosure Certificate, 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 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 or any other event required to be reported.

Section 11. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County or in U.S. District Court in or nearest to the County. 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. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and (if the Dissemination Agent is other than the District), the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 14. Electronic Signature. Each of the parties hereto agrees that the transaction consisting of this Disclosure Certificate may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Disclosure Certificate using an electronic signature, it is signing, adopting and accepting this Disclosure Certificate and that signing this Disclosure Certificate using an electronic signature is the legal equivalent of having placed the undersigned officer's handwritten signature on this Disclosure Certificate on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Certificate in a usable format.

Dated: March 11, 2021

GILROY UNIFIED SCHOOL DISTRICT

By: ____________________________________

ACCEPTED AND AGREED TO:

ISOM ADVISORS, A DIVISION OF
URBAN FUTURES, INC.,
as Dissemination Agent

By: ____________________________________
Authorized Signatory

EXHIBIT A

NOTICE TO THE MUNICIPAL SECURITIES RULEMAKING BOARD OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	GILROY UNIFIED SCHOOL DISTRICT
Name of Issue:	Gilroy Unified School District (Santa Clara County, California) General Obligation Refunding Bonds, Series 2021 (Federally Taxable)
Date of Issuance:	March 11, 2021

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by Section 4 of the Continuing Disclosure Certificate of the District, dated March 11, 2021. [The District anticipates that the Annual Report will be filed by _____________.]

Dated:_______________

GILROY UNIFIED SCHOOL DISTRICT

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APPENDIX E

SANTA CLARA COUNTY AND TREASURY INVESTMENT POLICY
AND POOLED SURPLUS INVESTMENTS

The following information has been furnished by the Office of the Auditor-Controller–Treasurer–Tax Collector, County of Santa Clara. It describes (i) the policies applicable to investment of District funds, including bond proceeds and tax levies, and funds of other agencies held by the Auditor-Controller–Treasurer–Tax Collector and (ii) the composition, carrying amount, market value and other information relating to the investment pool. Further information may be obtained directly from the Auditor-Controller–Treasurer, Tax Collection, County of Santa Clara, 585 Fiscal Drive, Room 100, Santa Rosa, CA 95403.

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4.8 TREASURY INVESTMENT POLICY

4.8.1 Statement of Intent

The purpose of this document is to set forth the County of Santa Clara's policy applicable to the investment of short-term surplus funds. In general, it is the policy of the County to invest public funds in a manner that will provide a competitive rate of return with maximum security while meeting the cash flow requirements of the County, school districts and special districts whose funds are held in the County Treasury, in accordance with all state laws and County ordinances governing the investment of public funds.

4.8.2 Scope

This investment policy applies to all financial assets held by the County. Those assets specifically included in this investment policy are accounted for in the County's Comprehensive Annual Financial Report and are included here as part of the County's Commingled Investment Pool.

4.8.3 Objectives

The following investment objectives shall be applied in the management of the County's funds.

(A) The foremost objective of the County's investment program shall be to safeguard principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

(B) The secondary objective shall be to meet the liquidity needs of its participants. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

(C) The third objective shall be to attain a market rate of return (yield) throughout budgetary and economic cycles, taking into account the County's investment constraints and cash flow characteristics. The core of investments will be limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Risk Mitigation

Those factors that can lead to an unexpected financial loss can be broadly grouped into the following categories: credit risk, liquidity risk, interest rate risk and operational risk. Credit risk is the possibility that a bond issuer will default or that the change in the credit quality of counter-party will affect the value of a security. Liquidity risk for a portfolio that does not market value its holdings on a daily basis is the risk that sufficient cash or cash equivalents are not available and a security may have to be sold at a loss (based on its original cost) in order to meet a payment liability. Interest rate risk is the risk that the value of a fixed income security or portfolio will fall as a result of an increase in interest rates. Operational risk refers to potential losses resulting from inadequate systems, management failure, faulty controls, fraud and human error.

It is part of this policy to pursue the listed actions below to reduce the risk of exposure to the County's investments.

Credit Risk

- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Only purchasing securities that meet ratings standards specified in this policy.
- Conducting ongoing reviews as needed of all credit exposures within investment portfolios.
- Rating restrictions for all investments are denoted as requirements at time of purchase. If a security should incur a downgrade by either rating agency, placing the security on special surveillance to identify and monitor any continuing deterioration trends and, if warranted, selling the security.
- Reviewing the possible sale of a security whose credit quality is declining to minimize loss of principal.

Liquidity Risk

- To the extent possible, matching investment maturities with anticipated cash demands, also known as creating static liquidity. Alternatively, apply application software to analyze and validate that cash from investment activity is sufficient to cover all liabilities.
- Since all possible cash demands cannot be anticipated, maintaining portfolios largely of securities with active secondary or resale markets (dynamic liquidity).
- Making investments that could be appropriately held to maturity without compromising liquidity requirements.
- Prior to approving or disapproving a withdrawal request (a reduction of liquidity), the County Treasurer shall determine that the proposed withdrawal will not adversely affect the interests of the other depositors in the County pool.

Interest Rate Risk

- Not investing in securities maturing more than five years from the settlement date unless the issuer is an Federal Agency of the United States or the credit is backed by the full faith and credit of the United States Government and the underlying remaining weighted average life of the debt security is less than five years at time of purchase.
- Limiting the weighted average maturity of the County's Commingled portfolio to three years or less.

- Limiting segregated investments to maturities of five years or less unless a longer term is specifically approved by the appropriate legislative body.
- Not investing in any funds in financial futures, option contracts, inverse floaters, range note or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- Ensuring that adequate resources are devoted to interest rate risk measurement.

Operational Risk

- Establishing a system of internal controls, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the County.
- Having an audit review to examine the system of internal controls to assure that established policies including risk management procedures are being complied with.

4.8.4 Standards of Care

(A) **Prudence.** The County Treasurer is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the County Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that prudent person acting in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this section and considering individual investments as part of an overall investment strategy, the County Treasurer is authorized to acquire investments as authorized by law.

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The County recognizes that no investment program is totally riskless and that the investment activities of the County are a matter of public record. Accordingly, the County recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that the portfolio is adequately diversified and that the sale of a security is in the best long-term interest of the County. Significant adverse credit changes or market price changes on County-owned securities shall be reported to the Board of Supervisors and the County Executive in a timely fashion.

(B) **Competitive Transactions.** Where practicable, each investment transaction shall be competitively transacted with brokers/dealers/banks approved by the County Treasurer.

(C) **Indemnification.** Investment officers acting in accordance with state laws, County ordinances, this policy and written procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development.

(D) **Ethics and Conflicts of Interest.** County employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment personnel shall subordinate their personal investment transactions to those of the County, particularly with regard to the timing of purchases and sales.

County officers and employees involved with the investment process shall refrain from accepting gifts that would be reportable under the Fair Political Practices Commission (FPPC) regulations.

Members of the Treasury Oversight Committee shall not accept any honoraria, gifts or gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business that would be reportable under the FPPC regulations, or prohibited under any applicable law or policy.

4.8.5 Authorized Financial Dealers and Institutions

The County Treasurer shall establish an approved list of brokers, dealers, banks and direct issuers of commercial paper to provide investment services to the County. It shall be the policy of the County to conduct security transactions only with approved institutions and firms. To be eligible for authorization, firms that are commercial banks must be members of the FDIC, and broker/dealers:

- Preferably should be recognized as a Primary Dealer by the Market Reports Division of the Federal Reserve Bank of New York, and
- Must maintain a secondary position in the type of investment instruments purchased by the County.

In addition, the firm must also qualify under SEC Rule 15C3-1 (Uniform Net Capital Rule). Approved broker/dealer representatives and the firms they represent shall be licensed to do business in the State of California.

The criteria for selecting security brokers and dealers from, to, or through whom the County Treasury may purchase or sell securities or other instruments, prohibits the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to any member of the governing board of any local agency that is a participant in the County Treasury or any candidate for those offices.

No public deposit shall be made except in a qualified public depository as established by state law. An annual analysis of the financial condition and professional institution/bank rating will be conducted by the County Treasurer and reported to the County Treasury Oversight Committee. Information indicating a material reduction in ratings standards or a material loss or prospective loss of capital must be shared with the Board of Supervisors, the County Executive, and the Oversight Committee in writing immediately.

To be eligible to receive local agency money, a bank, savings association, federal association or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

4.8.6 County Treasury Oversight Committee

A County Treasury Oversight Committee shall be established by the Board of Supervisors pursuant to Government Code Section 27130 et seq to advise the County Treasurer in the management and investment of the Santa Clara County Treasury. The Oversight Committee shall be comprised of six members representing the County, school districts and other local government agencies whose funds are deposited in the County's commingled pool and other segregated investments. Members of the Oversight Committee will be nominated by the Treasurer and confirmed by the Board of Supervisors. The Committee is comprised of the following members:

(1) County Director of Finance.

(2) County Executive appointed by the Board of Supervisors.

(3) Representative appointed by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury.

(4) County Superintendent of Schools or his or her designee.

(5) Representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County.

(6) One member of the public that has expertise in and or an academic background in public finance.

Each member may designate an alternate to serve in the absence of the member. The alternate shall take the oath of office and file a conflict of interest report with the Clerk of the Board. The alternate shall exercise the vote of the member at meetings where the member is not present.

It is the responsibility of the County Treasury Oversight Committee to approve the investment policy prepared annually by the County Treasurer, to review and monitor the quarterly investment reports prepared by the County Treasurer, to review depositories for County funds and broker/dealers and banks as approved by the County Treasurer, and to cause an annual audit to be conducted to determine the County Treasury's compliance with all relevant investment statutes and ordinances, and this investment policy. Any receipt of honoraria, gifts, and gratuities from advisors, brokers, and dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County Treasury Oversight Committee is limited to amounts that would not be reportable to the Fair Political Practices Commission. These limits may be in addition to the limits set by a committee member's own agency or by state or local law or policy.

Nothing in this article shall be construed to allow the County Treasury Oversight Committee to direct individual investment decisions, select individual brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

4.8.7 Eligible, Authorized and Suitable Investments

All investments shall conform with state law including but not limited to Government Code 53600 et seq and any further restrictions imposed by this policy (Authorized Investments). Where this section specifies a percentage limitation for a particular category of investment or specific issuer, that percentage is applicable only at the date of purchase. If subsequent to purchase, portfolio percentage constraints are above the maximum thresholds due to changes in value of the portfolio or changes due to revisions of the policy, then affected securities may be held to maturity in order to avoid principal losses. However, the County Treasurer may choose to rebalance the portfolio if percentage imbalances are deemed to impair portfolio diversification.

If after purchase securities are downgraded below the minimum required rating level the securities shall be reviewed for possible sale within a reasonable amount of time after the downgrade. Significant downgrades and the action to be taken will be disclosed in the Quarterly Investment Report.

U.S. Treasury and Government Agencies. There shall be no limit in the amount that may be invested in debt obligations that are backed by the full faith and credit of the United States government. This includes but is not limited to U.S. Treasury bills, notes or bonds. However, this does not include Medium-Term Corporate Notes or Deposit Notes, as described below.

There shall be no limit in the amount that may be invested in Federal Agencies of the United States or United States government sponsored-enterprise obligations, participations, and bond issuances including those issued by or fully guaranteed as to principal and interest by federal agencies or the United States government.

Repurchase Agreements. A repurchase agreement consists of two simultaneous transactions under the same agreement. One is the purchase of securities by an investor (County Treasury) from a bank or dealer. The other is the commitment by the bank or dealer to repurchase the securities at a specified price and on a date mutually agreed upon.

Repurchase agreements shall be entered into only with dealers and financial institutions which have executed a Master Repurchase Agreement with the County and are recognized as primary dealers with the Market Reports Division of the Federal Reserve Bank of New York.

- The term of the repurchase agreement is limited to 92 days or less. The securities underlying the agreement may be obligations of the United States Government, its agencies, or agency mortgage backed securities. For repurchase agreements that exceed 15 days, the maturities on purchased securities may not exceed 5 years.
- The purchased securities shall have a minimum market value, including accrued interest, of 102 percent of the dollar value of the agreement. Purchased securities shall be held in the County's custodian bank as safekeeping agent, and the market value of the securities shall be marked-to-market on a daily basis.

Reverse Repurchase Agreements. A reverse repurchase agreement consists of two simultaneous transactions under the same agreement. One is the sale of securities by the County Treasury to a bank or dealer. The other is the commitment by the County Treasury to repurchase the securities at a specified price and on a date mutually agreed upon.

Reverse repurchase agreements may only be transacted with dealers and financial institutions which have executed a Master Repurchase Agreement with the County as approved by the Board of Supervisors, and which are Primary Dealers of the Federal Reserve Bank of New York. Reverse repurchase transactions must meet the following requirements:

- Sold securities must be owned and fully paid a minimum of 30 days prior to transaction.
- The total of all reverse repurchase and securities lending agreements cannot exceed 20% of the portfolio's base value.[1]
- The term of the reverse repurchase agreement is not to exceed 92 days unless the agreement includes a written codicil that guarantees a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.
- Funds obtained through a reverse repurchase agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement unless the reverse repurchase agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.
- Reverse repurchase agreements may only be used to effect a "matched" transaction whereby the proceeds of the reverse are reinvested for approximately the same time period as the term of the reverse repurchase agreement.
- Reverse repurchase agreements may not exceed $90 million.

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[1] Base value of the County's Pool refers to the dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements or securities lending agreements.

- Investments in reverse repurchase agreements in which Treasury sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the Board of Supervisors.

Reverse Repurchase Agreements will be used solely for the intent of accessing liquid funds on a temporary basis and will not be used as a means to amplify portfolio returns.

All other cost effective means of obtaining liquidity will be considered prior to exercising this option.

In exception to the above, a trial transaction will be permitted on a periodic basis as emergency preparation to ensure that internal systems and staff members remain up-to-date on processing procedures. The amount of the trial transaction will not exceed pre-established limits set by the Treasurer.

Securities Lending. The mechanics behind a securities lending transaction consist of the County lending a security. The borrower, a financial institution, pledges collateral consisting of cash to secure the loan. Borrowers sometimes offer letters of credit as collateral. The lending agreement requires that the collateral must always exceed the market value of the security by 2%. Changes in the security's price during the term of the loan may require adjustments in the amount of collateral. The cash collateral obtained from the borrower is then invested in short-term assets for additional income. Also, the County is entitled to all coupon interest earned by the loaned security. At the end of the loan term, the transaction is unwound, the securities and collateral, which are held by a custodian bank, are returned to the original owners. The borrower is obliged to return the securities to the lender, either on demand from the County or at the end of any agreed term. Lending transactions must meet the following requirements:

- Loaned securities must be owned and fully paid a minimum of 30 days prior to transaction.
- The total of all reverse repurchase and securities lending agreements cannot exceed 20% of the portfolio's base value.
- The term of the securities lending agreement is not to exceed 92 days.
- Funds obtained through a securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the securities lending agreement.
- The objective of the transaction is to produce positive earnings.

To qualify as a counter-party to the County in a securities lending transaction, the broker/dealer must be recognized as a Primary Dealer by the Federal Reserve Bank and the County's custodial bank must indemnify the County against losses related to the broker-dealer.

Non-negotiable Time Deposits (CDs) that are FDIC Insured and Collateralized Time Deposits. Time deposits with banks or savings and loan associations shall be subject to the limitations imposed by the Government Code, as amended, and additional constraints prepared by the County Treasurer that would limit amounts to be placed with institutions based on creditworthiness, size, market conditions and other investment considerations.

Negotiable Certificates of Deposit. The bank issuing a negotiable certificate of deposit with a maturity of one year or less, must reflect the following or higher ratings from at least two of these *nationally recognized statistical rating organizations* (NRSRO's): Moody's (P1), Standard and Poor's (A1), and Fitch (F1). Certificates that exceed one year, must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (Aa3), Standard and Poor's (AA-), and Fitch (AA-). Negotiable certificates of deposit shall not exceed 30% of the surplus funds of the portfolio. No more than 5% of the portfolio shall be in a single bank.

Bankers' Acceptances. Investments in eligible bankers' acceptances of United States or foreign banks shall not exceed 180 days maturity from the date of purchase. This debt must reflect the following or higher ratings by at least two of these NRSRO's: Moody's (P1), Standard and Poor's (A1), and Fitch (F1). Bankers' Acceptances shall not exceed 40% of surplus funds. No more than 5% of the portfolio shall be invested in a single commercial bank.

Commercial Paper. Investments in commercial paper shall not have a maturity that exceeds 270 days. Commercial paper must reflect the following or higher ratings by at least two of these NRSRO's: Moody's (P1), Standard and Poor's (A1), and Fitch (F1). The issuer must meet the qualifications as indicated below pursuant to California Government Code:

If the commercial paper is short-term unsecured promissory notes issued by financial institutions or corporations, the issuer must:

- Be organized and operating in the United States as a general corporation;
- Have total assets in excess of five hundred million dollars ($500,000,000); and
- If the issuer has senior debt outstanding, the senior debt must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (A3) Standard and Poor's (A-) and Fitch (A-).

If the commercial paper is asset backed, the issuer must:

- Be organized within the United States as a special purpose corporation, trust, or limited liability company; and
- Have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit or surety bonds and include a liquidity vehicle.

Commercial paper shall not exceed 40% of the local agency's funds. No more than 5% of the portfolio shall be invested in any single issuer of commercial paper.

Medium Term Corporate Notes or Deposit Notes. The purchase of corporate notes shall be limited to securities that reflect the following ratings or higher by at least two of these NRSRO's: Moody's (Aa3), Standard and Poor's (AA-), and Fitch (AA-). Medium term corporate notes or deposit notes (five years or less) shall be limited to 30% of surplus funds. No more than 5% of the portfolio shall be invested in any single corporation including those issuers whose debt is fully guaranteed as to principal and/or interest by federal agencies or the United States government.

Local Agency California Investment Fund (LAIF). Funds may be invested in LAIF, a State of California managed investment pool up to the maximum dollar amounts in conformance with the account balance limits authorized by the State Treasurer.

Municipal Obligations. The purchase of municipal obligations shall include the following:

(A) **Treasury notes or bonds of the state of California,** including other obligations such as registered state warrants, certificates of participation, lease revenue bonds and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(B) **Bonds, notes, warrants, certificates of participation, lease revenue bonds or other evidences of indebtedness of any local agency within this state,** including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(C) **Registered treasury notes or bonds of any of the other 49 United States in addition to California,** including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

For those instruments that are rated, long-term obligations must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (A3), Standard and Poor's (A-), and Fitch (A-). Short term obligations must carry the following ratings or higher by at least one of these NRSRO's: Moody's (MIG-1), Standard and Poor's (SP-1), and Fitch (F-1). No more than 10% of surplus funds shall be in such obligations.

Money Market Funds. Companies issuing such money market funds must have assets under management in excess of $500,000,000. The advisors must be registered with the Securities and Exchange Commission (SEC) and have at least five years' experience investing in such types of investments. The fund must reflect the highest rating by at least two of these NRSRO's: Moody's (Aaa), Standard and Poor's (AAA), and Fitch (AAA). No more than 20% of the Treasury's funds may be invested in money market funds and no more than 10% of the Treasury's funds may be invested in one money market fund. If the money market fund is tax-exempt then only one "AAA" rating by an NRSRO is required. The money market fund must also be "no-load", which is a fund that does not compensate sales intermediaries with a sales charge or commission that is deducted from the return of the fund.

Asset Backed Securities. Asset backed securities (ABS) are notes or bonds secured or collateralized by pools of loans such as installment loans or receivables.

- The asset backed security itself must reflect the following ratings or higher from at least two of these NRSRO's: Moody's (Aa3), Standard and Poor's (AA-) and Fitch (AA-).

- Asset backed securities together with mortgage backed securities may not exceed 20% of the Treasury's surplus money.

Agency Mortgage Backed Securities. Mortgage backed securities (MBS) are-collateralized by pools of conforming mortgage loans or multi-family mortgage loans insured by FHLMC or FNMA and or guaranteed by FHA (GNMA).

- Agency mortgage backed securities together with asset backed securities may not exceed 20% of the Treasury's surplus money.

Supranational Debt Obligations. United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development of the World Bank (IBRD) or the Inter-American Development Bank (IADB), with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments must be rated "AAA" by at least two of the following, NRSRO's, Moody's, Standard and Poor's or Fitch and shall not exceed ten percent, in aggregate, of the Treasury's surplus funds.

General Parameters

Socially Responsible Investments

Whenever possible, in addition to and subordinate to the objectives set forth in section 4.8.3 herein, it is the County's policy to create a positive impact by investing in socially responsible corporations and agencies as defined by priorities set by the Board of Supervisors.

Ineligible Investments

Ineligible investments include common stock, inverse floaters, range notes, mortgage-derived interest only strips and any security that could result in zero interest accrual if held to maturity or any security that does not pay (cash or earn accrued) interest in one year or at least semi-annually in subsequent years and any investment not authorized by this policy unless otherwise allowed by law and approved by the Board of Supervisors.

Combined Issuer/Institutional Limits.

No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, Commercial paper, Negotiable Certificates of Deposit, and Corporate Notes.

Swaps

Investments will be reviewed for the possibility of a swap to enhance yield when both securities have a similar duration so as not to affect the cash flow needs of the program. Swaps should have a minimum of five basis points before being transacted.

4.8.8 Maximum Maturity

The County Investment portfolio shall be structured to provide that sufficient funds from investments are available to meet the anticipated cash needs of the depositors in the County's commingled investment pool. The choice of investment instruments and maturities shall be based on an analysis of depositors cash needs, existing and anticipated revenues, interest rate trends and specific market opportunities. The average weighted maturity of the portfolio will not exceed three years and investments will have a maturity of no more than five years from the settlement date unless specifically approved by the Board of Supervisors or the provisions set forth elsewhere in this policy.

4.8.9 Segregated Investments (excludes Commingled Funds)

Segregated investments of instruments permitted in Government Code Section 53601 can be made upon proper authorization where cash flow or other factors warrant segregation from the commingled pool. Examples that may justify such segregation are bond or note proceeds, Retiree Health funds or Workers Compensation funds where longer term or matching term investments are warranted.

For segregated investment funds, no investment shall be made that could not appropriately be held to maturity without compromising liquidity requirements.

Segregated investments shall be limited to five years maturity unless a longer term is specifically approved by the appropriate legislative body.

Government Code Sections 53620 and 53622 grant the County authority to invest the assets of the Santa Clara County Retiree Health Trust in any form or type of investment deemed prudent by the governing body. Accordingly, the County Board of Supervisors has determined that up to 67 percent of the Trust's assets, excluding near-term liability pay-outs, may be invested in equities through mutual funds or through the direct purchase of common stocks by a money management firm(s) approved by the Board of Supervisors.

In accordance with the prudent person standard in Government Code Sections 53620 through 53622, the assets of the Santa Clara County Retiree Health Trust may be invested in bonds that have a final maturity of 30 years or less from purchase date, and in bonds that reflect the following ratings or higher from at least two of these NRSRO's: Moody's (A3), Standard and Poor's (A-), and Fitch (A-).

4.8.10 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in the name of the County by a custodian designated by the County Treasurer and evidenced by trade confirmations and safekeeping holdings reports.

The County Treasurer will approve certain financial institutions on an annual basis to provide safekeeping and custodial services for the County. Custodian banks shall be selected on the basis of their ability to provide service to the County's account and the competitive pricing of their safekeeping related services. All securities purchased by the County under this section shall be properly designated as an asset of the County and held in safekeeping by a custodial bank chartered by the United States Government or the State of California. The County will execute custodial agreement(s) with its bank(s). Such agreements will outline the responsibilities of each party for the notification of security purchases and sales, address wire transfers as well as safekeeping and transaction costs, and provide details on procedures in case of wire failures or other unforeseen mishaps along with the liability of each party.

To be eligible for designation as the County's safekeeping and custodian agent, a financial institution shall meet the following criteria:

- Have a Moody's rating of P-1 or Standard and Poor's rating of A-1 for the most recent reporting quarter before the time of selection.
- Qualify as a depository of public funds in the State of California as defined in Government Code Section 53638.

The County Treasurer shall require each approved custodial bank to submit a copy of its Consolidated Report of Condition and Income (Call Report) to the County within forty-five days after the end of each calendar quarter.

It is the intent of the County to mitigate custodial credit risk by insuring that all securities are appropriately held.

Securities typically clear and settle as electronic book entries through the following clearinghouses: (1) the Depository Trust Corp. (DTC), a member of the Federal Reserve Bank; or (2) the Fed Book-Entry System, owned by the Federal Reserve. Governments generally do not have their own account in the Fed Book-Entry System or at DTC, but have access to those systems through large financial institutions who are members and participants. The County's securities within the clearing system are held under the Custodial Bank's name. The Custodial Bank's internal records identify the County as the underlying beneficial owner of securities.

Infrequently, physical certificates are used to reflect ownership of a security. When physical securities are received by the Custodial Bank, they are sent to a transfer agent to be registered into the Custodial Bank's nominee name. It is kept in the bank's vault until redeemed or sold. The Custodial Bank records identify the County as the underlying beneficial owner and include the securities on the County's Safekeeping report.

4.8.11 Internal Controls and Accounting

The County shall establish a system of internal controls, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the County.

The County maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the County in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board.

The County shall establish a process for an annual review by either the County's internal or external auditor. This review will examine the system of internal controls to assure that the established policies and procedures are being complied with and many result in recommendations to change operating procedures to improve internal control.

4.8.12 Reporting

(A) **Methods.**

(i) The County Treasurer shall prepare an investment report quarterly, including a management summary that provides a clear status of the current investment portfolio, quarterly transactions, investment philosophy and market actions and trends. The management summary will be prepared in a manner which will allow the County to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Board of Supervisors, the County Executive, the County Treasury Oversight Committee, Internal Auditor, and local agencies with funds on deposit in the County pool. The report will include the following:

- A listing of individual securities by type of investment and maturity held at the end of the reporting period.
- A composite of transactions purchased during the reporting period by type of security.
- Unrealized gains or losses resulting from appreciation or depreciation of securities held in the portfolio, by listing the cost of market value of securities.
- Average weighted yield to maturity of the portfolio and benchmark comparisons.
- Weighted average maturity of the portfolio.
- A summary of purchases during the reporting period by broker/dealers or banks showing the purchase date, issuing agency, amount purchased, cost and purchase date.
- A statement denoting the ability of the County to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available.

(ii) The County Treasurer shall prepare a monthly report with a brief summary of the investment report and a listing of the transactions conducted during the month. The report will be provided to the Board of Supervisors, Treasury Oversight Committee and the local agencies with funds on deposit in the County Pool.

Material deviations from projected budgetary investment results shall be reported no less frequently than quarterly to the Board of Supervisors and the County Executive.

(B) **Performance Standards**.

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates, taking into account the County's investment risk constraints and cash flow needs.

The basis for measurement used to determine whether market yields/rate of return are being achieved shall be the State Treasurer's Local Agency Investment Fund (LAIF). It should be recognized, however, that since the investment parameters of LAIF are broader than the County's investment policies, the returns realized by the County cannot necessarily be expected to exceed the returns realized by LAIF on a regular basis.

(C) The County utilizes the following methods to pay for banking services and County administration of the investment function:

General Banking Services. General banking services such as safekeeping, items deposited, statements, account maintenance, etc., may be paid to the bank through direct payment or a combination of direct payment and compensating balance.

Investment and Banking Administration Costs. The County recovers staffing and other costs relating to the County's administration services for banking and investment functions provided to the County Treasury. The administrative costs are allocated against the earnings of the County pool prior to apportionment of earnings.

Earnings Apportionment. Earnings of the County pool are apportioned quarterly to all participants of the pool based on the average daily balance of each fund during the quarter.

Realized capital gains (the gain from securities sold at a higher price compared to cost) are added to quarterly earnings. Realized capital losses (the loss from securities sold at a lower price compared to cost) reduce quarterly earnings. To the extent that a realized capital loss exceeds the quarterly aggregate earnings of the Pool, the loss will be shared across all funds. The size of the write-down for any individual fund balance will be based on the average daily balance of each fund during the quarter in which the loss occurred.

Any apportioned earnings may not be available for withdrawal until all monies that have been earned (i.e., accrued) have actually been received by the County Treasurer.

4.8.13 Investment Policy Adoption

Pursuant to Government Code Section 27133 the County Treasurer annually prepares an investment policy that is reviewed, monitored and approved by the County Treasury Oversight Committee. Any changes must be approved by the Board of Supervisors. Copies of the approved investment policy shall be circulated annually to local agencies with funds on deposit in the County pool.

4.8.14 Voluntary Participants

The County provides the opportunity for local agencies to deposit excess funds within the County's Commingled Pool pursuant to Government Code Section 53684. In order to participate, voluntary participants must sign the County's Disclosure and Agreement for Voluntary Deposits which outlines the terms and conditions of participation, including constraints on deposits and withdrawals from the pool. Voluntary participants must also submit a resolution duly adopted by its governing board authorizing the deposit of funds into the Investment Pool.

It is the County's policy to not allow access to the pool unless the voluntary participant agrees to a long-term relationship utilizing the pool and County Treasury for its primary banking needs. The County does not wish to enter into relationships where an entity is placing funds because yields for a time may be higher than what is available at other organizations, because such activity can have an adverse and unfair impact on the other participants. Upon approval of the Treasurer, accommodations may be made to utilize the County resources to make specific investments or manage segregated funds for a voluntary participant at an agreed cost.

4.8.14.1 Temporary Loans to Pool Participants

Various public entities maintain funds on deposit with the County Treasury. From time to time, these public entities experience cash flow problems. Allowing these entities to temporarily borrow from the commingled investment pool is an alternative way to address their short-term cash flow problems. In order to ensure that these temporary loans comply with all legal requirements and investment pool objectives, no such transfers shall be made unless all of the following requirements are met:

- Because the commingled investment pool consists of deposits from both restricted and unrestricted sources, all transfers shall comply with all requirements of Government Code Sections 53601, 53840, 53841 and 53842, including the requirements that they be legally characterized as loans and formalized with "evidences of indebtedness," and meet maturity and security criteria.
- All transfers shall comply with Article XVI, Section 6 of the California Constitution, including the limitations on borrowing amounts and loan periods.
- No transfers shall be made during any fiscal year unless the Board of Supervisors has adopted a resolution authorizing transfers for that fiscal year. (Cal. Constitution Article XVI, Section 6; Government Code Section 25252.)
- Any inter-fund transfers between school district and community college accounts shall be formally approved by the district's governing board and shall comply with all other requirements of Education Code Sections 42603, 42620 and 85220, including requirements regarding repayment, sufficient income, and maximum transfer amounts.

- No transfer may occur until the fund needing the transfer meets the revenue sufficiency test, consistent with state law and County investment pool investment-risk constraints, established by the Director of Finance to ensure repayment.
- Direct borrowing from the pool should be a last resort funding alternative. Pool participants will be encouraged to use all available internal sources for cash flow needs through inter-fund borrowing between the participant's various funds.

The Director of Finance shall do all of the following:

- Proactively monitor fund balances.
- Establish early warning triggers to identify those funds most likely to incur an overdraft and require a transfer.
- Establish a revenue sufficiency test for the purpose of assessing repayment ability.
- Place tax apportionments assigned to an overdrawn fund in a lock box sequestered for credit to the investment pool.
- Establish and monitor investment pool exposure limits.
- Monitor funds to ensure that loans meet dry period (last Monday in April through June 30 of the fiscal year) financing restrictions.
- Restrict certain individual funds (e.g., bond reserve funds) from use as a borrowing source in inter-fund borrowing across funds held by pool participant.
- Establish a hierarchy of associated funds owned by each pool participant to be used as alternative funding sources in the event any of the participant's funds needs a loan.
- Implement accounting procedures that either manually or automatically transfer funds from one fund to another based on preset rules.
- Report within the Quarterly Investment listing all loans extended by the investment pool to participants.

The County's external financial auditor shall regularly review all of the practices and procedures in this Section to ensure compliance with all legal requirements.

4.8.15 Withdrawal of Funds by Voluntary Participants

Public entities that are voluntary participants in the County pool who wish to make withdrawals for the purpose of investing outside of the County pool may request such withdrawals in accordance with the County Investment Management Agreement.

The County Treasurer will assess the proposed withdrawal on the stability and predictability of the investments in the County pool. Prior to approving or disapproving a withdrawal request, the County Treasurer shall determine that the proposed withdrawal will not adversely affect the interests of the other depositors in the County pool. Funds are withdrawn based on the market value.

4.8.16 Warranties

All depositors acknowledge that funds deposited in the Investment Pool are subject to market/investment risk, and that the County Treasurer makes no warranties regarding Investment Pool performance, including but not limited to preservation of capital or rate of return earned on funds deposited in the Investment Pool. Depositors knowingly accept these risks and waive any claims or causes of action against the County Treasurer, the County, and any employee, official or agent of the County for loss, damage or any other injury related to the Depositors' funds in the Investment Pool, with the exception of loss, damage or injury caused solely by the County Treasurer's material failure to comply with the County Investment Policy and all applicable laws and regulations.

Quarterly Investment Report

September 30, 2020

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Quarterly Investment Report

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Santa Clara County Commingled Pool and Segregated Investments

September 30, 2020

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool	$7,767,383,636	$7,858,137,079	$90,753,444	1.17%
Worker's Compensation	$29,527,210	$30,063,912	$536,702	1.82%
Park Charter Fund	$4,339,839	$4,400,882	$61,043	1.41%
San Jose-Evergreen	$20,984,075	$21,295,777	$311,702	1.49%
Medical Malpractice Insurance Fund (1)	$9,604,938	$9,934,018	$329,080	3.43%
Total	**$7,831,839,698**	**$7,923,831,668**	**$91,991,971**	**1.17%**

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2020			2019
	Jul 31	Aug 31	Sep 30	Sep 30
Commingled Investment Pool	1.48%	1.36%	1.29%	2.13%
Worker's Compensation	1.38%	1.37%	1.36%	2.20%
Weighted Yield	**1.48%**	**1.36%**	**1.29%**	**2.13%**

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

September 30, 2020

The U.S. domestic economy grew at a record pace in the third quarter ending September 30, 2020, recovering significant ground it had lost earlier in the year. The economy rebounded as businesses reopened, employers restored jobs and the government provided trillions of dollars of aid supporting the resumption of consumer spending.

Nonetheless, the gain in quarterly gross domestic product (GDP), the value of all goods and services produced across the economy, only partially offset the record drop in output beginning in April when the virus pandemic and related shutdowns disrupted business activity across the country. Even the 33.1 percent increase, expressed as an annualized gain, in the third quarter compared to the second quarter, did not restore the U.S. economy to where it was at the end of the first quarter. Using non-annualized expressions of growth, GDP fell 1.3 percent in the first quarter and 9 percent in the second as the pandemic forced widespread business closures and then, subsequently rebounded with 7.4 percent growth third quarter. Even given third quarter's relative strength, the economy shrank 2.9 percent as compared to GDP performance in third quarter of 2019.

U.S. GDP is normally reported at an annual rate, or as if the quarter's pace of growth will continue uninterrupted for the remainder of the year. But the pandemic triggered extreme swings in output, a severe drop followed by an extremely sharp improvement, making the annualized numbers misleading. Economists do not expect second or third-quarter numbers to persist for a full year.

Third quarter GDP was bolstered in part by trillions of dollars in federal assistance to households and businesses. Economists and Wall Street analysts now expect much slower growth in the fourth quarter and in early next year, than they previously expected because the approximately $4 trillion in federal stimulus spending that propped up consumers and businesses through the end of the summer has largely ended while the recovery remains far from complete. So far, Congress has failed to agree on a plan to replace expired federal stimulus. There are further signs that the recovery is losing steam. Industrial production fell in September, and job growth has slowed, while a growing list of major corporations have announced new rounds of large-scale layoffs and furloughs. Most economists expect the slowdown to worsen in the final three months of the year, exasperated by rising virus cases and the related threat of further economic disruptions.

Consumer spending led the way in the third quarter recovery, rising nearly 9 percent. Consumer spending accounts for more than two-thirds of U.S. economic output. Spending increases were uneven, with some sectors seeing big gains and others displaying negligible improvement. Personal contact sectors including airlines and restaurants remain less than halfway along the path to where they were before the virus hit. Undoubtedly, it will take significant improvements in the development of vaccines and Covid-19 therapies to generate further momentum.

Much of the gain in the third quarter came from an increase in the services portion of personal consumption with health care and food services leading the advance as these businesses adjusted and adapted to a socially distanced landscape. Services spending rebounded 8.5 percent in the third quarter but remained 7.7 percent below its pre-pandemic level. During the prior quarter, spending on services collapsed, falling 12.7 percent. Consumers reduced purchases of restaurant meals and refrained from a variety of services and family vacations.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

September 30, 2020

Consumer spending on long-lasting goods was particularly strong. Purchases of durable goods in the third quarter rose sharply, nearly 10 percent and, more than enough to offset a relatively mild 2.8 percent decline in the prior quarter. Consumers, especially those in higher-income households, bought furniture, autos, computers, and home-exercise equipment adjusting to the work-at-home lifestyle prompted by the pandemic. Some redirected income that typically went to restaurants and traveling to purchases up-grading their homes. The housing sector also boomed due to low mortgage rates, limited housing supply and demand for larger living spaces and less densely populated communities. Mortgage rates should remain low. Federal Reserve Bank policy officials have signaled they intend to keep interest rates near zero for a sustained period of time.

The economic disruption caused by the pandemic jettisoned millions of Americans into unemployment and financial difficulties. Nevertheless, many U.S. households, so far, are weathering the turmoil and are in relatively good shape. Since April, consumer savings have increased, credit scores have soared to a record high and household debt has declined. At the onset of the crisis, U.S. commercial banks set aside billions of dollars to cover anticipated losses on loans to customers. Nonetheless, these reserves remain largely untouched. Much of this is attributable to the government's rapid-fire fiscal stimulus which provided expanded unemployment benefits, $1,200 stimulus payments and financial injections to small businesses. Those who lost their jobs used the money to keep up with rent and other bills. Others paid down debts, added to savings or purchased goods.

U.S. employment data for September reflected a slow-down in job growth and indicated other troubling trends including a growing list of major corporations announcing new rounds of large-scale layoffs. In normal times, the 661,000 jobs added by employers would have been a healthy marker. Nonetheless, September's gain was a sharp reduction from the 1.5 million jobs added in August and below the 800,000 that economists had predicted. More importantly, significant progress is still needed to replace the 22 million jobs lost at the beginning of the pandemic, in March and April, of which only 11.4 million, so far, have been recovered. Generating stronger job growth must mainly come from the services sectors and without a vaccine and given the large, growing number of Covid cases, this will be difficult.

The unemployment rate fell to 7.9 percent in September from 8.4 percent the prior month. Although the jobless rate is significantly lower than the pandemic high of nearly 15 percent in April, September's drop resulted mostly from adjustments to the unemployment calculation. These included an increase in permanent layoffs and an acceleration of people leaving the labor force, hence less people looking for work. Strong indications exist that some workers have either become frustrated about their job prospects or due to child-care responsibilities, have dropped out of the labor force.

The portfolio strategy continues to focus on the:
(1) acquisition of high-quality issuers;
(2) identifying and selecting bonds with attractive valuations;
(3) appropriately sizing the liquidity portion of the portfolio to ensure adequate cash for near term obligations; and
(4) ensuring that monies targeted for longer term investments are deployed in vehicles with favorable risk-adjusted yields.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Liquidity Adequacy, Review, and Monitoring

September 30, 2020

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 1.29 and the weighted average life is 631 days.

Liquidity Adequacy

The County Treasurer believes the Commingled Pool contains sufficient cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

FHN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

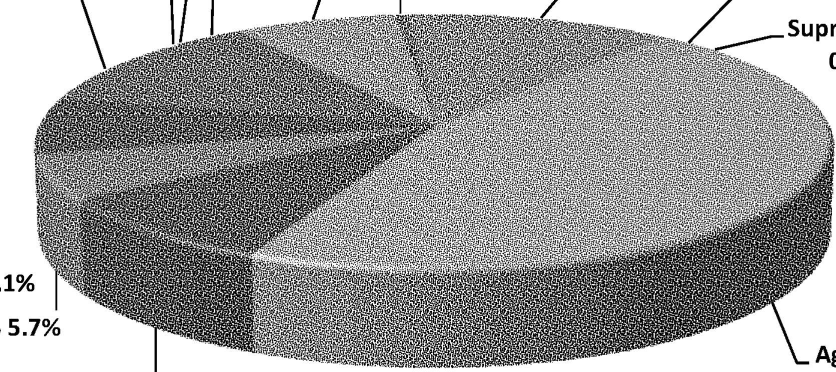
The market values of securities were taken from pricing services provided by the Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

Santa Clara County Commingled Pool

Allocation by Security Types

September 30, 2020

Sector	9/30/2020	6/30/2020	% Chng
Federal Agencies	42.86%	37.36%	5.5%
Corporate Bonds	8.92%	7.22%	1.7%
Mortgage Backed Securities	5.71%	4.22%	1.5%
Commercial Paper	7.13%	14.56%	-7.4%
ABS	8.84%	7.35%	1.5%
ABS Green Bonds	0.00%	0.00%	0.0%
Municipal Securities	0.79%	0.29%	0.5%
U.S. Treasuries	2.58%	2.29%	0.3%
Negotiable CDs	7.44%	11.97%	-4.5%
LAIF	0.55%	0.48%	0.1%
Money Market Funds	12.17%	12.06%	0.1%
Supranationals	2.67%	1.92%	0.7%
Supranationals Green Bonds	0.32%	0.28%	0.0%
Total	100.00%	100.00%	



Sector	9/30/2020	6/30/2020
Federal Agencies	3,328,920,531	3,353,648,345
Corporate Bonds	693,041,880	648,454,093
Mortgage Backed Securities	443,655,634	378,497,505
Commercial Paper	554,126,071	1,307,125,176
ABS	686,772,236	660,107,365
ABS Green Bonds	-	-
Municipal Securities	61,382,550	25,911,692
U.S. Treasuries	200,407,008	205,516,899
Negotiable CDs	577,954,554	1,074,892,703
LAIF	42,919,835	42,763,798
Money Market Funds	945,672,802	1,082,563,925
Supranational	207,530,536	172,659,611
Supranationals Green Bonds	25,000,000	25,000,000
Total	7,767,383,636	8,977,141,112

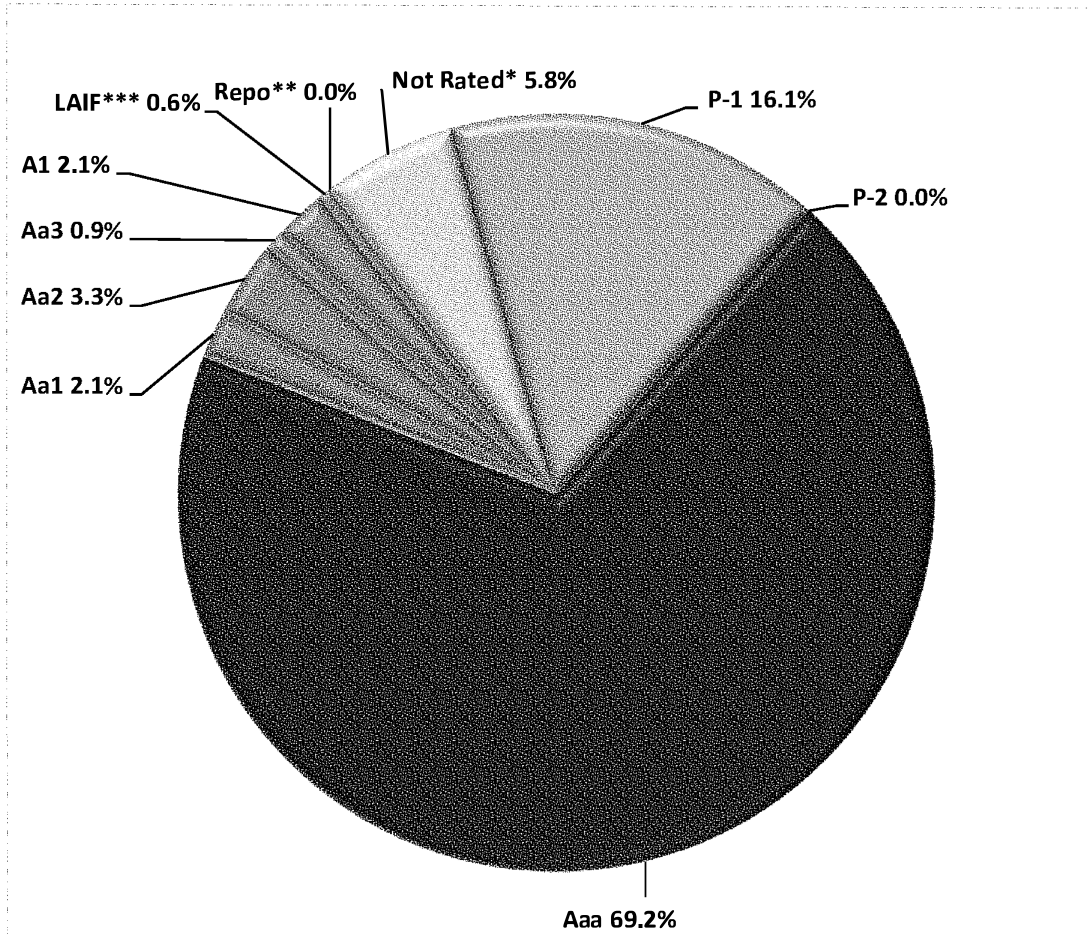
Amounts are based on book value

Santa Clara County Commingled Pool

Allocation by Ratings

September 30, 2020

Moody's Rating	Portfolio $	Portfolio %
P-1	1,248,008,290	16.1%
P-2	-	0.0%
Aaa	5,377,502,353	69.2%
Aa1	159,337,682	2.1%
Aa2	254,941,964	3.3%
Aa3	67,502,127	0.9%
A1	166,681,669	2.1%
A2	-	0.0%
A3	-	0.0%
LAIF***	42,919,835	0.6%
Repo**	-	0.0%
Not Rated*	450,489,716	5.8%
Total	7,767,383,636	100.0%



*Not Rated by Moody's but A-1+ by S&P

**Repurchase Agreements are not rated, but are collateralized by U.S. Treasury securities or securities issued by the Federal Agencies of the U.S.

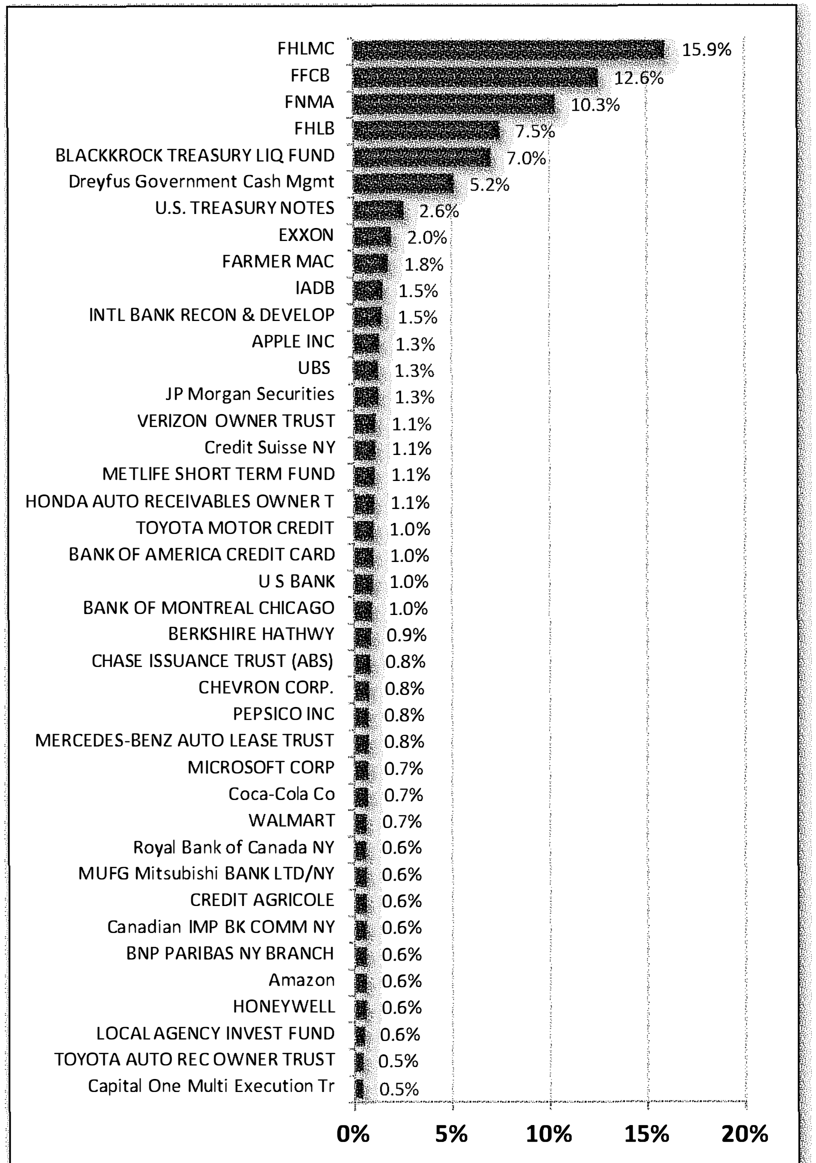
***LAIF is not rated, but is comprised of State Code allowable securities

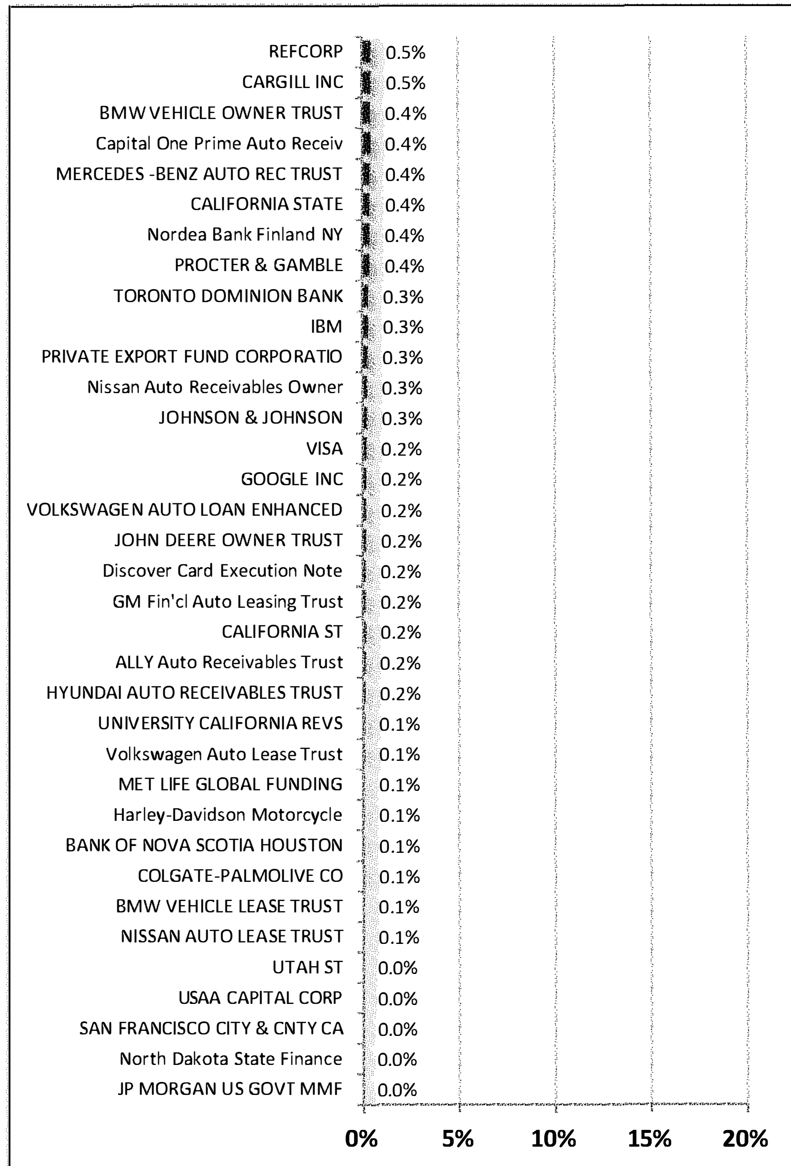
Amounts are based on book values

Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

September 30, 2020



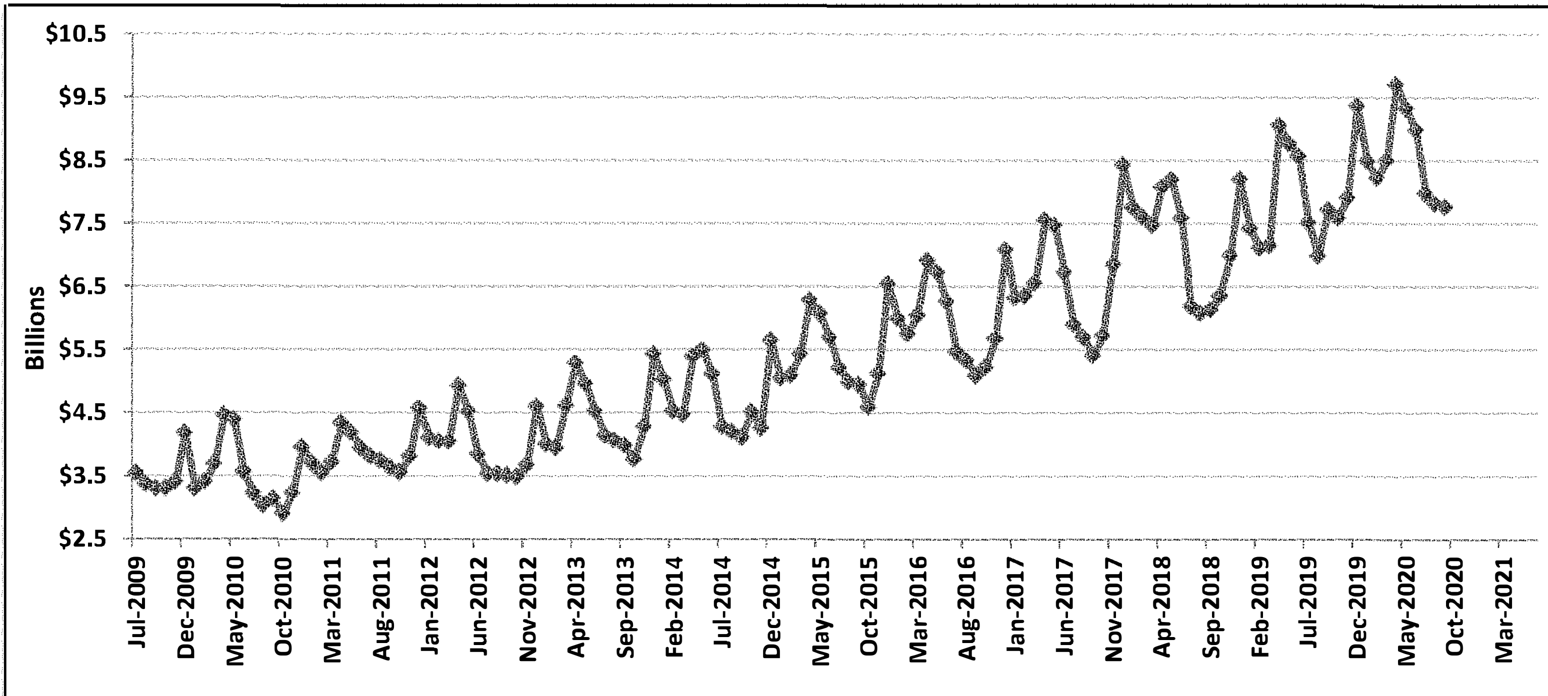


Amounts are based on book values

Santa Clara County Commingled Pool

Historical Month End Book Values

September 30, 2020



Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2011	$3.230	$3.032	$3.143	$2.898	$3.227	$3.943	$3.695	$3.551	$3.712	$4.339	$4.179	$3.935
FY 2012	$3.801	$3.736	$3.637	$3.555	$3.805	$4.567	$4.097	$4.040	$4.032	$4.926	$4.525	$3.833
FY 2013	$3.508	$3.517	$3.515	$3.469	$3.645	$4.600	$3.918	$3.982	$4.606	$5.286	$4.952	$4.521
FY 2014	$4.133	$4.052	$3.975	$3.758	$4.271	$5.419	$5.019	$4.520	$4.461	$5.386	$5.487	$5.108
FY 2015	$4.267	$4.194	$4.096	$4.051	$4.247	$5.639	$5.045	$5.085	$5.420	$6.284	$6.065	$5.690
FY 2016	$5.212	$4.990	$4.941	$4.587	$5.120	$6.543	$5.997	$5.752	$6.040	$6.911	$6.728	$6.263
FY 2017	$5.469	$5.328	$5.088	$5.220	$5.671	$7.082	$6.319	$6.348	$6.550	$7.556	$7.469	$6.730
FY 2018	$5.898	$5.689	$5.408	$5.720	$6.850	$8.427	$7.754	$7.608	$7.472	$8.079	$8.192	$7.584
FY 2019	$6.180	$6.068	$6.127	$6.350	$6.987	$8.199	$7.425	$7.105	$7.151	$9.054	$8.767	$8.565
FY 2020	$7.510	$6.984	$7.179	$7.583	$7.909	$9.363	$8.487	$8.219	$8.494	$9.705	$9.321	$8.977
FY 2021	$7.976	$7.814	$7.767									

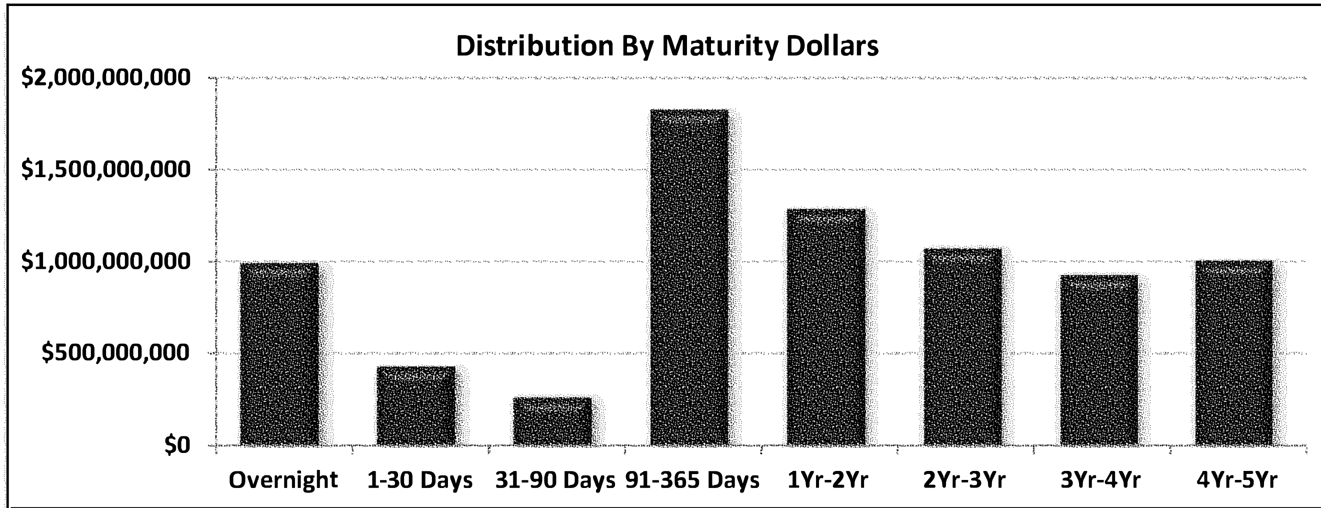
Amounts in billions

Santa Clara County Commingled Pool

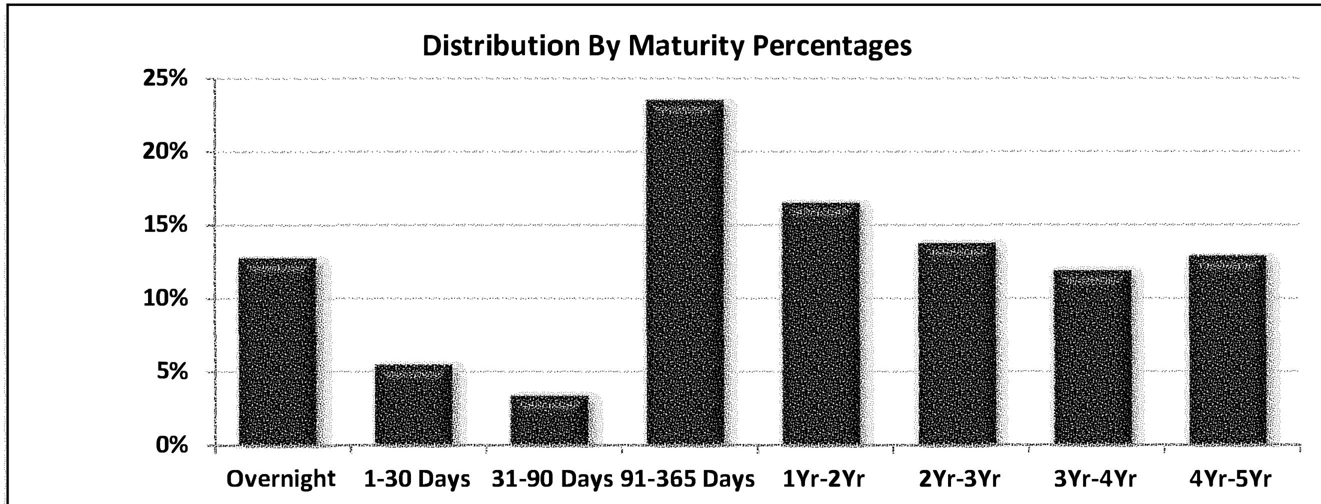
Distribution by Maturity

September 30, 2020

Maturity	Amount*
Overnight	988,592,637
1-30 Days	425,346,009
31-90 Days	260,673,708
91-365 Days	1,823,830,516
1Yr-2Yr	1,280,731,602
2Yr-3Yr	1,067,874,549
3Yr-4Yr	921,236,344
4Yr-5Yr	999,098,271
	7,767,383,636



Maturity	Amount*
Overnight	12.73%
1-30 Days	5.48%
31-90 Days	3.36%
91-365 Days	23.48%
1Yr-2Yr	16.49%
2Yr-3Yr	13.75%
3Yr-4Yr	11.86%
4Yr-5Yr	12.86%
	100.00%

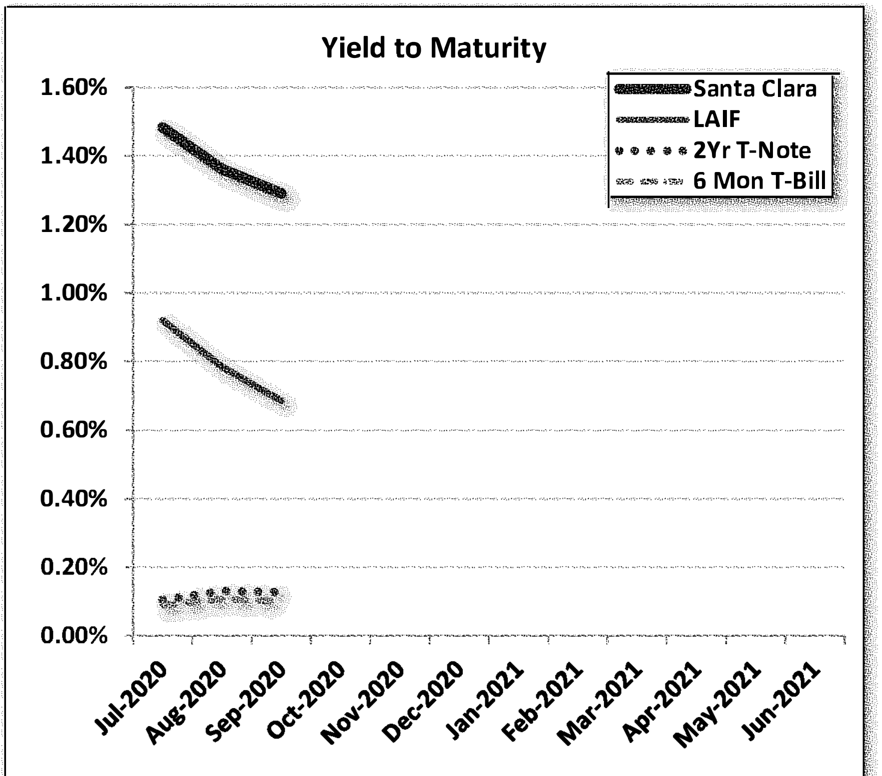


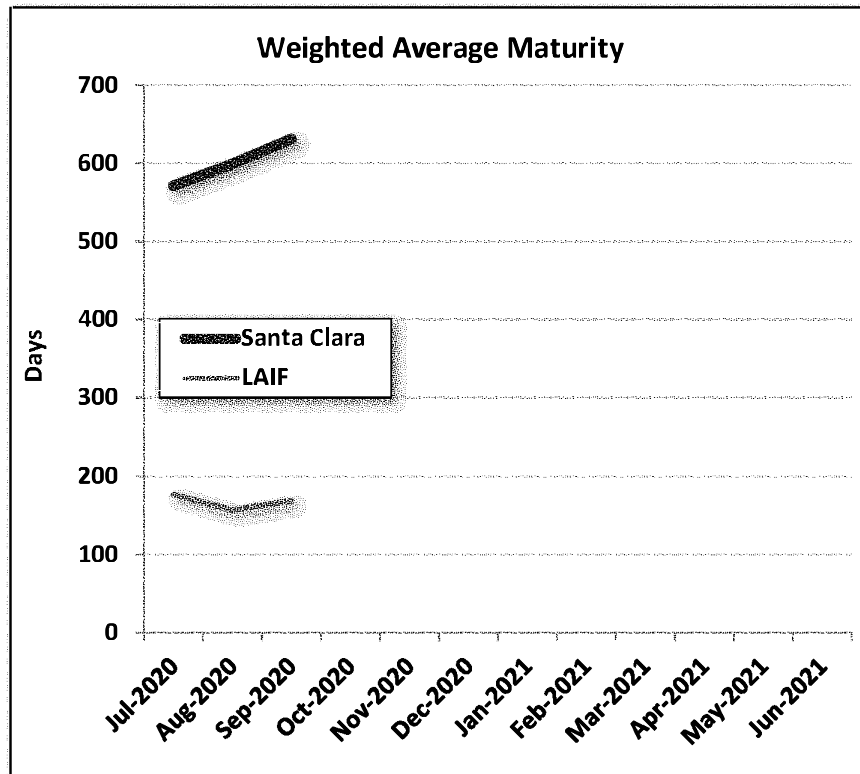
*Amounts are based on book value

Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

September 30, 2020





Item	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21
SCC YTM	1.48%	1.36%	1.29%									
LAIF YTM	0.92%	0.78%	0.69%									
6 Mon T-Bill	0.09%	0.11%	0.10%									
2Yr T-Note	0.11%	0.13%	0.13%									
SCC WAM	571	599	631									
LAIF WAM	177	157	169									

Santa Clara County

Approved Issuers and Broker/Dealers

September 30, 2020

Direct Commercial Paper Issuers

Toyota Motor Credit

US Bank, NA

Broker/Dealers

Academy Securities, Inc

Bank of America Merrill Lynch

Barclays Capital, Inc

BMO Capital Markets

BNP Paribas Securities Corp

BNY Mellon Capital Markets, LLC

BOK Financial Securities (Bank of Oklahoma)

Brean Capital LLC

Cantor Fitzgerald & Co

Citigroup Global Markets Inc

Daiwa Capital Markets America Inc

Deutsche Bank Securities Inc

Incapital LLC

Jefferies & Co

JP Morgan Securities, Inc

Keybanc Capital Markets, Inc

Loop Capital Markets LLC

Mizuho Securities USA, Inc

MUFG Securities USA LLC

Raymond James, Inc.

RBC Capital Markets, Inc

UBS Financial Serviec Inc

Vining Sparks LP

Williams Capital

Santa Clara County Commingled Pool

Compliance with Investment Policy

September 30, 2020

Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 24 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIF	No sector limit, no issuer limit, CA State's deposit limit $65 million	Yes
Repurchase Agreements	No sector limit, no Issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least $500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's), issued by domestic corps/depositories	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMF has at least $500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Mortgage-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	Yes
Asset-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	Yes
Supranational Debt Obligations	Sector limit 10%, max maturity 5 years, issued or unconditionally gauranteed by the IBRD, rated by at least two: AAA (S&P/Fitch), Aaa (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks , collateral must exceed market value of security by 2%	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, loaned securities must be owned for at least 30 days	Yes, None in Portfolio

Santa Clara County Commingled Pool

Allocation by Security Types

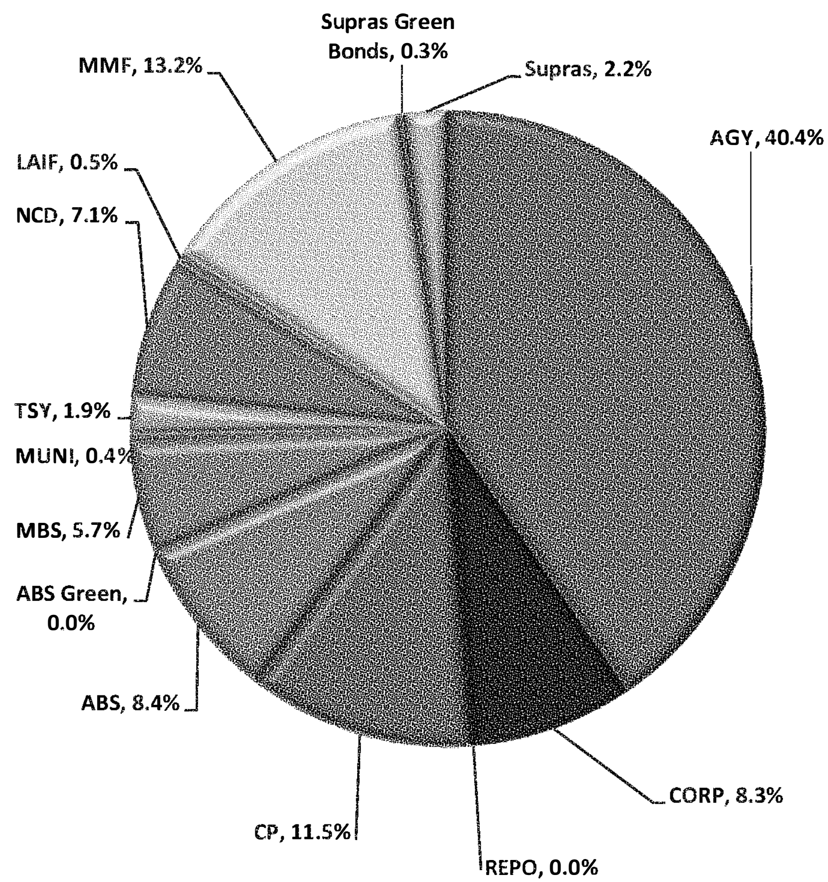
For the Month Ended July 31, 2020

Average Daily Balance	**$ 8,631,744,837.12**
Book Yield	**1.483%**
Weighted Average Maturity	**571 Days**

Investment Type	Par Value (Millions)	Book Value* (Millions)	Value (Millions)
Federal Agencies	$ 3,216.90	$ 3,221.65	$ 3,266.53
Corporate Bonds	643.93	648.34	670.85
Repurchase Agreements	-	-	-
Commercial Paper	930.48	928.67	930.25
Asset-Backed Securities	664.14	663.84	677.56
Asset-Backed Sec Green Bds	-	-	-
Mortgage Backed Securities	441.27	447.69	460.96
Municipal Securities	30.42	30.90	31.38
U.S. Treasuries	150.00	150.49	154.73
Negotiable CDs	575.00	574.91	576.24
LAIF	42.92	42.92	42.92
Money Market Funds	1,069.36	1,069.36	1,069.36
Supranationals Green Bonds	25.00	25.00	24.99
Supranationals	172.00	172.62	174.92
Total	$ 7,961.41	$ 7,976.37	$ 8,080.67

*Represents Amortized Book Value

Asset Allocation By Market Value



Santa Clara County Commingled Pool

Allocation by Security Types

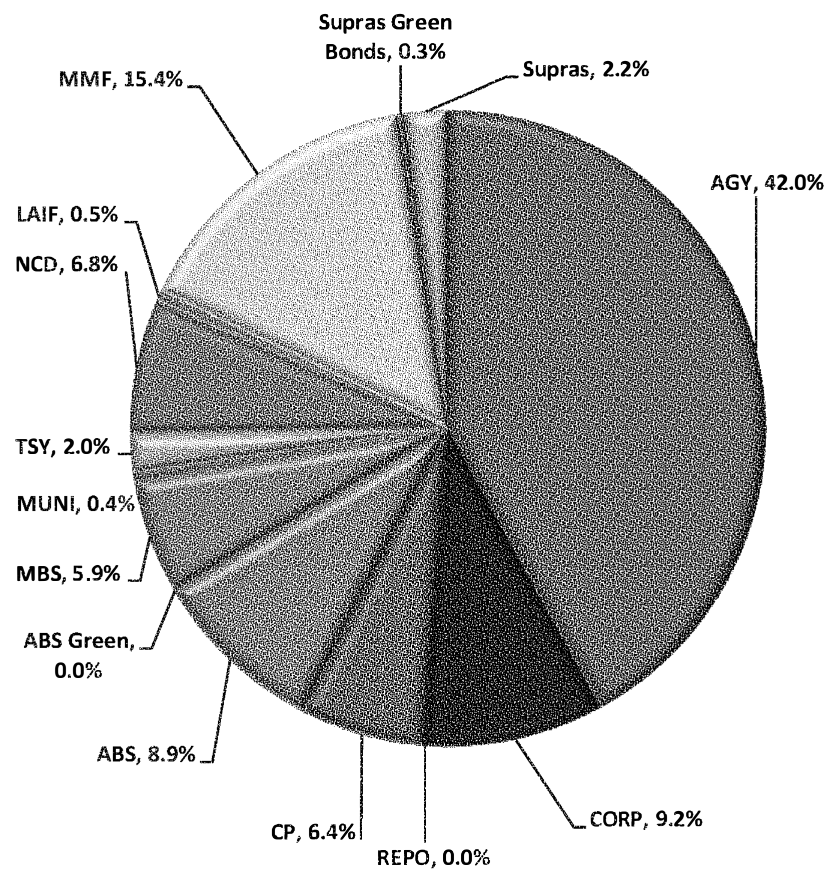
For the Month Ended August 31, 2020

Average Daily Balance	**$ 7,985,676,929.99**
Book Yield	**1.362%**
Weighted Average Maturity	**599 Days**

Investment Type	Par Value (Millions)	Book Value* (Millions)	Value (Millions)
Federal Agencies	$ 3,236.00	$ 3,240.51	$ 3,282.30
Corporate Bonds	688.93	693.16	714.91
Repurchase Agreements	-	-	-
Commercial Paper	502.23	501.29	502.08
Asset-Backed Securities	682.67	682.38	695.15
Asset-Backed Sec Green Bds	-	-	-
Mortgage Backed Securities	439.93	446.31	459.31
Municipal Securities	30.42	30.88	31.39
U.S. Treasuries	150.00	150.45	154.43
Negotiable CDs	528.00	527.94	528.97
LAIF	42.92	42.92	42.92
Money Market Funds	1,200.24	1,200.24	1,200.24
Supranationals Green Bonds	25.00	25.00	25.00
Supranationals	172.00	172.57	174.77
Total	$ 7,698.34	$ 7,713.66	$ 7,811.47

*Represents Amortized Book Value

Asset Allocation By Market Value



SANTA CLARA COUNTY INVESTMENTS
Fund COMM -COMMINGLED POOL
Investments by Fund
September 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Negotiable CDs											
06367BJT7	40384	BANK OF MONTREAL CHICAGO	03/16/2020	25,000,000.00	25,000,000.00	25,083,725.00	1.250	1.250	1.267	01/21/2021	112
06367BQC6	40544	BANK OF MONTREAL CHICAGO	08/06/2020	50,000,000.00	50,000,000.00	50,012,688.00	0.299	0.298	0.302	08/06/2021	309
05586FWT0	40465	BNP PARIBAS NY BRANCH	04/16/2020	50,000,000.00	50,000,000.00	50,015,542.50	0.840	0.840	0.851	10/16/2020	15
06417MHH1	40407	BANK OF NOVA SCOTIA HOUSTON	03/20/2020	9,936,771.52	10,000,000.00	10,003,938.50	0.525	2.504	2.538	02/10/2021	132
13606CH64	40622	Canadian IMP BK COMM NY	09/29/2020	50,000,000.00	50,000,000.00	50,003,650.00	0.240	0.240	0.243	07/23/2021	295
22535CRJ2	40536	CREDIT AGRICOLE	07/23/2020	50,000,000.00	50,000,000.00	50,012,000.00	0.230	0.230	0.233	01/22/2021	113
22549L2G9	40560	Credit Suisse NY	08/28/2020	88,017,782.33	88,000,000.00	88,001,739.76	0.280	0.250	0.253	06/01/2021	243
55380TCG3	40452	MUFG Mitsubishi BANK LTD/NY	04/09/2020	50,000,000.00	50,000,000.00	50,046,200.00	1.180	1.180	1.196	10/30/2020	29
65558TWX9	40466	Nordea Bank Finland NY	04/16/2020	30,000,000.00	30,000,000.00	30,084,600.00	1.050	1.050	1.064	01/22/2021	113
78012USR7	40257	Royal Bank of Canada NY	01/16/2020	50,000,000.00	50,000,000.00	49,999,750.00	0.282	0.769	0.779	10/16/2020	15
89114NPV1	40538	TORONTO DOMINION BANK	07/27/2020	25,000,000.00	25,000,000.00	25,003,250.00	0.220	0.220	0.223	01/29/2021	120
90275DLL2	40438	UBS AMERICA	04/07/2020	50,000,000.00	50,000,000.00	50,219,700.00	1.520	1.499	1.520	01/29/2021	120
90275DKW9	40432	UBS AG STAMFORD CT	03/30/2020	50,000,000.00	50,000,000.00	50,267,700.00	1.900	1.900	1.926	01/22/2021	113
			Subtotal and Average	577,954,553.85	578,000,000.00	578,754,483.76		0.801	0.812		142
Mortgage Backed Securities (MBS)											
3137AYCE9	38387	FHLMC Multi-Family	01/12/2018	20,157,000.00	20,000,000.00	20,766,376.00	2.682	2.443	2.477	10/25/2022	754
3137AYCE9	38391	FHLMC Multi-Family	01/16/2018	7,555,078.13	7,500,000.00	7,787,391.00	2.682	2.454	2.488	10/25/2022	754
3137AWQH1	38465	FHLMC Multi-Family	02/22/2018	5,460,553.13	5,580,000.00	5,753,645.69	2.307	3.155	3.198	08/25/2022	693
3137B36J2	38643	FHLMC Multi-Family	03/20/2018	20,345,312.50	20,000,000.00	21,207,858.00	3.320	1.764	1.789	02/25/2023	877
3137AYCE9	38666	FHLMC Multi-Family	04/17/2018	11,616,539.06	11,745,000.00	12,195,054.31	2.682	2.879	2.919	10/25/2022	754
3137AYCE9	38744	FHLMC Multi-Family	06/05/2018	19,788,281.25	20,000,000.00	20,766,376.00	2.682	2.877	2.917	10/25/2022	754
3137B4WB8	38854	FHLMC Multi-Family	09/12/2018	4,768,285.16	4,775,000.00	5,078,095.51	3.060	2.968	3.009	07/25/2023	1,027
3137B5JM6	38864	FHLMC Multi-Family	09/25/2018	10,135,937.50	10,000,000.00	10,768,043.00	3.531	2.710	2.748	07/25/2023	1,027
3137B3NA2	38945	FHLMC Multi-Family	11/02/2018	10,605,782.00	10,605,782.00	11,247,118.94	3.250	3.173	3.217	04/25/2023	936
3137B5KW2	39026	FHLMC Multi-Family	12/03/2018	10,092,187.50	10,000,000.00	10,769,558.00	3.458	3.164	3.208	08/25/2023	1,058
3137B04Y7	39295	FHLMC Multi-Family	03/11/2019	26,755,312.50	27,000,000.00	28,360,476.00	2.615	2.792	2.831	01/25/2023	846
3137BP4J5	39654	FHLMC Multi-Family	07/01/2019	19,868,561.00	19,596,808.42	20,571,438.05	2.446	1.911	1.938	03/25/2026	2,001
3137BUWM6	40385	FHLMC Multi-Family	03/16/2020	14,376,078.69	13,777,613.60	14,434,851.23	2.932	1.185	1.202	01/25/2023	846
3137BHCY1	40390	FHLMC Multi-Family	03/17/2020	11,331,300.00	10,590,000.00	11,506,579.33	2.811	1.026	1.040	01/25/2025	1,577
3137BSP64	40526	FHLMC Multi-Family	07/01/2020	18,133,592.92	17,172,979.38	18,061,122.94	2.340	0.651	0.661	07/25/2026	2,123

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3132XHM68	40527	FHLMC Multi-Family	07/09/2020	20,312,158.41	19,904,733.40	20,277,027.35	1.100	0.671	0.680	09/01/2025	1,796
3137BKGH7	40539	FHLMC Multi-Family	07/28/2020	5,671,945.93	5,422,834.47	5,651,355.97	2.712	0.472	0.479	07/25/2025	1,758
3137FUZN7	40540	FHLMC Multi-Family	07/30/2020	3,981,278.43	3,981,354.08	3,982,697.79	0.526	0.509	0.517	01/25/2025	1,577
3138LAYM5	38477	FNMA Multi-Family	02/27/2018	3,380,649.14	3,419,114.18	3,417,922.69	2.550	2.795	2.834	09/01/2022	700
3136B1XP4	38664	FNMA Multi-Family	04/30/2018	1,981,199.01	1,942,559.56	1,959,981.99	3.560	2.746	2.784	09/25/2021	359
3136B1XP4	38665	FNMA Multi-Family	04/30/2018	1,981,199.01	1,942,559.56	1,959,981.99	3.560	2.746	2.784	09/25/2021	359
31381TYT1	39150	FNMA Multi-Family	01/14/2019	28,792,339.83	28,847,555.85	29,603,804.62	2.750	2.670	2.707	03/01/2022	516
31381RZ23	39158	FNMA Multi-Family	01/16/2019	14,360,650.69	14,038,746.62	14,218,032.65	3.840	2.825	2.865	08/01/2021	304
31381RLL6	39218	FNMA Multi-Family	02/07/2019	11,754,578.41	11,508,230.35	11,627,989.71	3.840	2.833	2.872	07/01/2021	273
31381RLL6	39219	FNMA Multi-Family	02/07/2019	1,962,110.40	1,920,989.22	1,940,979.82	3.840	2.833	2.872	07/01/2021	273
3138LGKH8	39319	FNMA Multi-Family	03/19/2019	24,609,375.00	25,000,000.00	26,259,631.25	2.470	2.794	2.833	01/01/2024	1,187
3138EKX67	39457	FNMA Multi-Family	04/18/2019	10,560,388.62	10,603,049.32	11,021,219.59	2.513	2.578	2.614	03/01/2023	881
3138LEYD7	39587	FNMA Multi-Family	05/30/2019	18,121,453.43	18,450,095.77	19,262,765.29	1.970	2.656	2.693	11/01/2023	1,126
3138LGFF8	39609	FNMA Multi-Family	06/11/2019	4,976,953.13	5,000,000.00	5,096,710.80	2.150	2.249	2.280	01/01/2024	1,187
3138L2BU0	39632	FNMA Multi-Family	06/24/2019	6,651,514.59	6,659,839.38	6,655,491.44	2.310	2.315	2.347	12/01/2022	791
3138L0U90	39734	FNMA Multi-Family	08/13/2019	5,085,937.50	5,000,000.00	5,147,984.60	2.590	1.983	2.011	09/01/2022	700
31381VBJ3	39735	FNMA Multi-Family	08/13/2019	5,033,237.80	4,931,525.10	5,065,489.34	2.830	2.010	2.038	06/01/2022	608
3138L0RM5	39844	FNMA Multi-Family	09/13/2019	8,691,692.37	8,633,349.82	8,845,394.13	2.135	1.872	1.898	11/01/2022	761
3136A9MN5	40056	FNMA Multi-Family	11/19/2019	7,632,117.17	7,556,551.66	7,731,408.00	2.301	1.834	1.859	09/25/2022	724
3138L0RC7	40293	FNMA Multi-Family	01/28/2020	6,729,513.89	6,636,192.44	6,824,085.74	2.350	1.778	1.803	11/01/2022	761
3136AXVB8	40511	FNMA Multi-Family	06/17/2020	17,995,248.08	16,808,171.00	17,653,487.54	2.641	0.849	0.861	07/25/2024	1,393
3138L0RM5A	40517	FNMA Multi-Family	06/24/2020	918,008.77	888,238.88	910,054.98	2.135	0.649	0.658	11/01/2022	761
3138L7CU8	40541	FNMA Multi-Family	07/31/2020	21,482,282.65	19,902,520.11	21,388,667.16	2.950	0.530	0.537	07/01/2024	1,369
			Subtotal and Average	443,655,633.60	437,341,394.17	455,776,148.44		2.090	2.119		1,040
Federal Agency Bonds											
31422BWJ5	40391	FARMER MAC	03/17/2020	20,000,000.00	20,000,000.00	20,033,412.00	0.280	0.267	0.270	04/01/2022	547
3133EGWH4	37018	FFCB NOTES	09/30/2016	10,001,870.59	10,000,000.00	10,113,749.20	1.280	1.243	1.260	09/29/2021	363
3133EGT47	37194	FFCB NOTES	12/08/2016	10,000,000.00	10,000,000.00	10,220,569.70	2.010	1.982	2.010	12/08/2021	433
3133EG5D3	37378	FFCB NOTES	01/27/2017	5,000,000.00	5,000,000.00	5,123,890.30	2.030	2.002	2.030	01/27/2022	483
3133EHHG1	37761	FFCB NOTES	05/03/2017	5,000,000.00	5,000,000.00	5,047,216.55	1.750	1.726	1.750	05/03/2021	214
3133EHHG1	37762	FFCB NOTES	05/03/2017	10,000,000.00	10,000,000.00	10,094,433.10	1.750	1.726	1.750	05/03/2021	214

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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EHWM1	38024	FFCB NOTES	09/01/2017	3,001,402.50	3,000,000.00	3,042,338.49	1.700	1.624	1.647	09/01/2021	335
3133EHWM1	38025	FFCB NOTES	09/01/2017	5,000,000.00	5,000,000.00	5,070,564.15	1.700	1.676	1.700	09/01/2021	335
3133EHWM1	38026	FFCB NOTES	09/01/2017	7,003,577.29	7,000,000.00	7,098,789.81	1.700	1.619	1.642	09/01/2021	335
3133EHZA4	38046	FFCB NOTES	09/20/2017	9,992,559.51	10,000,000.00	10,145,478.00	1.660	1.715	1.739	09/20/2021	354
3133EHJ95	38081	FFCB NOTES	10/26/2017	9,999,918.98	10,000,000.00	10,011,890.80	1.750	1.737	1.762	10/26/2020	25
3133EHJ95	38082	FFCB NOTES	10/26/2017	4,999,895.83	5,000,000.00	5,005,945.40	1.750	1.756	1.780	10/26/2020	25
3133EHP31	38126	FFCB NOTES	11/10/2017	9,974,455.28	9,975,000.00	10,170,406.26	1.950	1.928	1.955	11/02/2021	397
3133EHW58	38169	FFCB NOTES	11/27/2017	14,999,766.67	15,000,000.00	15,041,108.10	1.900	1.943	1.970	11/27/2020	57
3133EHW58	38204	FFCB NOTES	12/01/2017	21,547,341.90	21,550,000.00	21,609,058.64	1.900	1.954	1.982	11/27/2020	57
3133EJGH6	38506	FFCB NOTES	03/15/2018	23,000,096.95	23,000,000.00	23,021,065.70	2.440	2.395	2.429	10/15/2020	14
3133EJPX1	38718	FFCB NOTES	05/21/2018	4,989,309.09	5,000,000.00	5,298,273.15	2.875	3.253	3.299	12/21/2022	811
3133EJTT6	38837	FFCB NOTES	07/05/2018	4,999,561.33	5,000,000.00	5,032,577.00	2.625	2.623	2.659	01/05/2021	96
3133EJTT6	38838	FFCB NOTES	07/05/2018	4,999,561.33	5,000,000.00	5,032,577.00	2.625	2.623	2.659	01/05/2021	96
3133EJZH5	38878	FFCB NOTES	10/05/2018	13,938,938.87	14,000,000.00	14,716,425.64	2.800	2.997	3.038	09/13/2022	712
3133EJK24	38943	FFCB NOTES	11/01/2018	14,999,256.74	15,000,000.00	15,443,305.50	3.000	2.963	3.004	10/19/2021	383
3133EJW70	38999	FFCB NOTES	11/26/2018	34,992,414.72	35,000,000.00	35,621,604.90	2.875	2.869	2.909	05/26/2021	237
3133EJW70	39023	FFCB NOTES	11/30/2018	26,818,245.85	26,825,000.00	27,301,415.76	2.875	2.875	2.915	05/26/2021	237
3133EJ3B3	39075	FFCB NOTES	12/17/2018	9,994,913.33	10,000,000.00	10,321,056.70	2.800	2.805	2.844	12/17/2021	442
3133EJY60	39105	FFCB NOTES	12/24/2018	12,561,470.51	12,500,000.00	13,350,032.00	3.020	2.765	2.803	03/03/2023	883
3133EJ3B3	39108	FFCB NOTES	12/24/2018	4,303,337.25	4,300,000.00	4,438,054.38	2.800	2.695	2.732	12/17/2021	442
3133EJ4Q9	39157	FFCB NOTES	01/16/2019	19,997,398.60	20,000,000.00	20,134,192.40	2.550	2.562	2.598	01/11/2021	102
3133EJ5V7	39165	FFCB NOTES	01/18/2019	14,858,256.12	14,875,000.00	15,701,975.92	2.625	2.640	2.676	01/18/2023	839
3133EJ5P0	39173	FFCB NOTES	01/25/2019	9,993,515.10	10,000,000.00	10,315,310.40	2.600	2.615	2.652	01/18/2022	474
3133EKCS3	39296	FFCB NOTES	03/11/2019	20,003,733.33	20,000,000.00	20,213,925.60	2.550	2.472	2.506	03/11/2021	161
3133EKEW2	39357	FFCB NOTES	03/28/2019	19,993,138.33	20,000,000.00	20,631,123.00	2.280	2.272	2.303	03/28/2022	543
3133EKLA2	39565	FFCB NOTES	05/22/2019	9,594,990.82	9,590,000.00	10,112,782.64	2.300	2.247	2.279	05/15/2023	956
3133EKNR3	39594	FFCB NOTES	06/03/2019	10,002,619.81	10,000,000.00	10,338,998.90	2.200	2.153	2.183	06/03/2022	610
3133EKSN7	39639	FFCB NOTES	06/26/2019	9,972,160.07	10,000,000.00	10,422,623.70	1.770	1.850	1.876	06/26/2023	998
3133EKPS9	39689	FFCB NOTES	07/17/2019	20,023,152.94	20,000,000.00	20,271,262.60	2.125	1.924	1.951	06/07/2021	249
3133EKVD5	39693	FFCB NOTES	07/18/2019	11,243,228.50	11,250,000.00	11,500,950.94	1.875	1.896	1.922	01/18/2022	474
3133EKVC7	39701	FFCB NOTES	07/22/2019	14,998,855.23	15,000,000.00	15,206,368.05	1.875	1.858	1.884	07/19/2021	291
3133EKZV1	39751	FFCB NOTES	08/19/2019	19,996,836.82	20,000,000.00	20,243,107.80	1.550	1.546	1.568	08/16/2021	319

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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133ELCS1	40135	FFCB NOTES	12/11/2019	14,407,840.00	14,450,000.00	15,089,381.14	1.550	1.615	1.638	03/11/2024	1,257
3133ELAE4	40136	FFCB NOTES	12/11/2019	19,978,959.84	20,000,000.00	20,550,413.00	1.625	1.659	1.682	08/22/2022	690
3133ELDK7	40162	FFCB NOTES	12/16/2019	24,999,095.39	25,000,000.00	25,620,805.75	1.630	1.609	1.632	06/15/2022	622
3133ELDK7	40163	FFCB NOTES	12/16/2019	24,999,095.39	25,000,000.00	25,620,805.75	1.630	1.609	1.632	06/15/2022	622
3133ELDK7	40164	FFCB NOTES	12/16/2019	24,999,095.39	25,000,000.00	25,620,805.75	1.630	1.609	1.632	06/15/2022	622
3133ELHR8	40267	FFCB NOTES	01/21/2020	24,997,715.28	25,000,000.00	25,469,549.50	1.600	1.585	1.607	01/21/2022	477
3133ELXM1	40484	FFCB NOTES	04/27/2020	29,992,501.33	30,000,000.00	30,022,326.90	0.250	0.276	0.280	07/27/2021	299
3133ELT95	40531	FFCB NOTES	07/15/2020	7,997,281.78	8,000,000.00	8,005,005.44	0.200	0.216	0.219	07/13/2022	650
3133EJVC0	40535	FFCB NOTES	07/22/2020	16,477,498.44	15,000,000.00	16,519,899.15	2.950	0.342	0.347	07/24/2024	1,392
3133ELVQ4	40585	FFCB NOTES	09/11/2020	15,343,756.10	15,000,000.00	15,382,684.95	0.950	0.429	0.435	04/01/2025	1,643
3130AABG2	37149	FHLB NOTES	11/30/2016	14,986,128.63	15,000,000.00	15,299,747.55	1.875	1.931	1.957	11/29/2021	424
313382K69	37711	FHLB NOTES	04/13/2017	25,863,989.12	25,860,000.00	26,048,114.95	1.750	1.690	1.714	03/12/2021	162
313378CR0	37726	FHLB NOTES	04/19/2017	25,148,149.83	25,000,000.00	25,756,445.75	2.250	1.794	1.819	03/11/2022	526
313379RB7	37961	FHLB NOTES	06/30/2017	5,004,283.95	5,000,000.00	5,060,693.65	1.875	1.722	1.746	06/11/2021	253
3130A3UQ5	38102	FHLB NOTES	11/03/2017	10,001,289.80	10,000,000.00	10,034,306.00	1.875	1.781	1.806	12/11/2020	71
3130ACUK8	38178	FHLB NOTES	11/28/2017	25,000,000.00	25,000,000.00	25,311,439.25	2.000	1.972	2.000	05/28/2021	239
3130AFB63	38896	FHLB NOTES	10/22/2018	14,997,841.67	15,000,000.00	15,133,105.05	2.950	2.958	2.999	01/22/2021	113
3130AFB63	38901	FHLB NOTES	10/23/2018	4,999,279.67	5,000,000.00	5,044,368.35	2.950	2.958	2.999	01/22/2021	113
3130AFB63	38920	FHLB NOTES	10/26/2018	25,000,895.16	25,000,000.00	25,221,841.75	2.950	2.898	2.939	01/22/2021	113
3130AFB63	38922	FHLB NOTES	10/26/2018	5,000,117.06	5,000,000.00	5,044,368.35	2.950	2.902	2.943	01/22/2021	113
3130AFE78	39016	FHLB NOTES	11/29/2018	14,346,178.74	14,350,000.00	15,224,253.09	3.000	2.970	3.012	12/09/2022	799
3130A0F70	39069	FHLB NOTES	12/14/2018	10,133,049.44	10,000,000.00	10,983,995.50	3.375	2.883	2.923	12/08/2023	1,163
3130A0F70	39106	FHLB NOTES	12/24/2018	3,557,674.68	3,500,000.00	3,844,398.43	3.375	2.778	2.817	12/08/2023	1,163
3130ABFD3	39138	FHLB NOTES	01/08/2019	15,001,996.99	15,000,000.00	15,619,524.30	2.625	2.580	2.616	06/07/2022	614
3130AB3H7	39362	FHLB NOTES	03/29/2019	14,298,452.64	14,250,000.00	15,255,356.74	2.375	2.238	2.269	03/08/2024	1,254
313379Q69	39545	FHLB NOTES	05/16/2019	24,969,384.51	25,000,000.00	25,831,010.75	2.125	2.169	2.200	06/10/2022	617
3130A5P45	39552	FHLB NOTES	05/20/2019	15,037,951.77	15,000,000.00	15,566,348.40	2.375	2.188	2.219	06/10/2022	617
3133834G3	39559	FHLB NOTES	05/21/2019	9,971,451.30	10,000,000.00	10,509,991.80	2.125	2.205	2.236	06/09/2023	981
3130A1W95	39563	FHLB NOTES	05/22/2019	24,991,288.90	25,000,000.00	25,366,851.50	2.250	2.269	2.301	06/11/2021	253
3133834G3	39592	FHLB NOTES	06/03/2019	9,992,435.41	10,000,000.00	10,509,991.80	2.125	2.124	2.154	06/09/2023	981
3133834G3	39665	FHLB NOTES	07/08/2019	21,616,374.38	21,505,000.00	22,601,737.37	2.125	1.897	1.923	06/09/2023	981
313378JP7	39786	FHLB NOTES	08/29/2019	5,486,664.31	5,445,000.00	5,559,765.90	2.375	1.525	1.546	09/10/2021	344

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3130A2UW4	39852	FHLB NOTES	09/16/2019	10,403,968.28	10,000,000.00	11,055,879.60	2.875	1.776	1.801	09/13/2024	1,443
3130A3DL5	39936	FHLB NOTES	10/16/2019	10,147,059.06	9,940,000.00	10,558,345.73	2.375	1.617	1.639	09/08/2023	1,072
3130A2UW4	39985	FHLB NOTES	10/29/2019	31,258,153.82	30,000,000.00	33,167,638.80	2.875	1.737	1.762	09/13/2024	1,443
3130AHJY0	40025	FHLB NOTES	11/08/2019	9,990,455.81	10,000,000.00	10,166,353.40	1.625	1.687	1.710	11/19/2021	414
313379Q69	40459	FHLB NOTES	04/14/2020	10,296,573.58	10,000,000.00	10,332,404.30	2.125	0.358	0.363	06/10/2022	617
313379RB7	40467	FHLB NOTES	04/16/2020	25,272,740.96	25,000,000.00	25,303,468.25	1.875	0.295	0.299	06/11/2021	253
3130A2UW4	40501	FHLB NOTES	05/14/2020	5,467,326.30	5,000,000.00	5,527,939.80	2.875	0.474	0.481	09/13/2024	1,443
3130AJ7E3	40597	FHLB NOTES	09/17/2020	20,561,811.49	20,000,000.00	20,560,508.20	1.375	0.187	0.190	02/17/2023	869
3137EAEC9	36989	FHLMC NOTES	09/27/2016	19,974,340.28	20,000,000.00	20,169,352.80	1.125	1.261	1.278	08/12/2021	315
3137EAEC9	36992	FHLMC NOTES	09/29/2016	9,988,255.45	10,000,000.00	10,084,676.40	1.125	1.248	1.265	08/12/2021	315
3137EAEK1	38135	FHLMC NOTES	11/15/2017	24,998,979.67	25,000,000.00	25,057,164.25	1.875	1.881	1.908	11/17/2020	47
3137EAEL9	38462	FHLMC NOTES	02/16/2018	44,985,150.00	45,000,000.00	45,376,889.40	2.375	2.433	2.466	02/16/2021	138
3137EADB2	40083	FHLMC NOTES	11/27/2019	20,189,866.32	20,000,000.00	20,577,315.40	2.375	1.596	1.619	01/13/2022	469
3137EAEP0	40331	FHLMC NOTES	02/14/2020	24,983,180.34	25,000,000.00	26,239,420.75	1.500	1.497	1.517	02/12/2025	1,595
3137EAEV7	40554	FHLMC NOTES	08/26/2020	14,985,777.27	15,000,000.00	15,010,171.65	0.250	0.279	0.282	08/24/2023	1,057
3137EAEW5	40571	FHLMC NOTES	09/04/2020	34,988,737.68	35,000,000.00	35,012,804.05	0.250	0.257	0.261	09/08/2023	1,072
3137EAEW5	40576	FHLMC NOTES	09/08/2020	19,991,191.67	20,000,000.00	20,007,316.60	0.250	0.261	0.265	09/08/2023	1,072
3137EAEX3	40612	FHLMC NOTES	09/25/2020	9,970,000.44	10,000,000.00	9,967,027.50	0.375	0.430	0.435	09/23/2025	1,818
3137EAEV7	40620	FHLMC NOTES	09/28/2020	25,017,200.53	25,000,000.00	25,016,952.75	0.250	0.223	0.226	08/24/2023	1,057
3135G0S38	37582	FNMA NOTES	02/09/2017	10,012,931.03	10,000,000.00	10,238,385.40	2.000	1.866	1.892	01/05/2022	461
3135G0T45	37783	FNMA NOTES	04/10/2017	39,945,569.69	40,000,000.00	41,053,344.00	1.875	1.943	1.970	04/05/2022	551
3135G0S38	38079	FNMA NOTES	10/25/2017	9,999,098.01	10,000,000.00	10,238,385.40	2.000	1.979	2.007	01/05/2022	461
3135G0S38	38142	FNMA NOTES	11/16/2017	11,393,575.51	11,395,000.00	11,666,640.16	2.000	1.982	2.010	01/05/2022	461
3135G0T78	38163	FNMA NOTES	11/22/2017	4,982,984.14	5,000,000.00	5,185,380.65	2.000	2.149	2.179	10/05/2022	734
3135G0V75	40044	FNMA NOTES	11/14/2019	25,009,314.45	25,000,000.00	26,385,958.00	1.750	1.715	1.739	07/02/2024	1,370
3135G0X24	40233	FNMA NOTES	01/10/2020	14,959,099.83	15,000,000.00	15,806,588.40	1.625	1.668	1.691	01/07/2025	1,559
3135G03K7	40472	FNMA NOTES	04/20/2020	100,000,000.00	100,000,000.00	100,304,578.00	0.460	0.438	0.445	10/20/2021	384
3135G03M3	40473	FNMA NOTES	04/20/2020	50,000,000.00	50,000,000.00	50,195,985.00	0.490	0.469	0.475	01/20/2022	476
3135G03U5	40489	FNMA NOTES	04/30/2020	7,016,922.81	7,000,000.00	7,094,835.09	0.625	0.563	0.571	04/22/2025	1,664
3135G04Z3	40514	FNMA NOTES	06/19/2020	19,960,948.61	20,000,000.00	20,092,213.40	0.500	0.534	0.542	06/17/2025	1,720
3135G05X7	40555	FNMA NOTES	08/27/2020	29,862,254.95	30,000,000.00	29,905,483.20	0.375	0.463	0.469	08/25/2025	1,789
			Subtotal and Average	1,709,006,965.07	1,703,560,000.00	1,742,586,600.07		1.613	1.635		613

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds -CALLABLE											
3133EKRP3	39628	FFCB NOTES	06/21/2019	15,000,000.00	15,000,000.00	15,167,709.45	2.220	2.189	2.220	06/21/2024	1,359
3133EKRP3	39629	FFCB NOTES	06/21/2019	10,000,000.00	10,000,000.00	10,111,806.30	2.220	2.189	2.220	06/21/2024	1,359
3133EK4N3	40009	FFCB NOTES	11/04/2019	25,000,000.00	25,000,000.00	25,037,294.25	1.800	1.775	1.800	11/04/2022	764
3133ELJN5	40281	FFCB NOTES	01/24/2020	19,996,143.52	20,000,000.00	20,293,875.60	1.640	1.625	1.648	01/24/2023	845
3133ELMJ0	40323	FFCB NOTES	02/12/2020	22,000,000.00	22,000,000.00	22,095,443.04	1.690	1.666	1.690	02/12/2024	1,229
3133ELMD3	40330	FFCB NOTES	02/14/2020	15,987,375.46	16,000,000.00	16,070,267.52	1.600	1.612	1.634	02/10/2023	862
3133ELTC8	40388	FFCB NOTES	03/17/2020	20,000,000.00	20,000,000.00	20,039,623.40	1.125	1.109	1.125	03/17/2025	1,628
3133ELUJ1	40415	FFCB NOTES	03/24/2020	30,000,000.00	30,000,000.00	30,089,366.10	1.000	0.986	1.000	03/24/2023	904
3133ELUX0	40431	FFCB NOTES	03/30/2020	10,000,000.00	10,000,000.00	10,007,825.30	1.000	0.986	1.000	03/30/2022	545
3133ELVX9	40445	FFCB NOTES	04/08/2020	15,000,000.00	15,000,000.00	15,047,524.95	0.875	0.863	0.875	04/08/2024	1,285
3133ELVV3	40446	FFCB NOTES	04/08/2020	15,000,000.00	15,000,000.00	15,002,301.75	0.950	0.936	0.950	04/08/2022	554
3133EL5S9	40568	FFCB NOTES	09/03/2020	20,000,000.00	20,000,000.00	19,994,423.00	0.480	0.473	0.480	09/03/2024	1,433
3133EL6E9	40581	FFCB NOTES	09/09/2020	15,000,000.00	15,000,000.00	14,979,924.15	0.420	0.414	0.420	09/09/2024	1,439
3130ACK52	38389	FHLB NOTES	01/12/2018	24,998,752.80	25,000,000.00	25,004,274.75	1.700	2.134	2.164	10/05/2020	4
3130AFA72	38921	FHLB NOTES	10/26/2018	12,000,000.00	12,000,000.00	12,026,202.72	3.250	3.205	3.250	04/26/2023	937
3130AHGL1	40010	FHLB NOTES	11/04/2019	25,000,000.00	25,000,000.00	25,103,605.25	1.875	1.849	1.875	11/04/2024	1,495
3130AJLA5	40502	FHLB NOTES	05/19/2020	5,000,000.00	5,000,000.00	4,960,216.40	0.750	0.739	0.750	05/19/2025	1,691
3134GBBM3	37518	FHLMC NOTES	03/29/2017	25,000,000.00	25,000,000.00	25,233,252.00	2.000	1.972	2.000	03/29/2021	179
3134GA5T7	37578	FHLMC NOTES	02/28/2017	3,500,000.00	3,500,000.00	3,598,182.32	2.125	2.095	2.125	01/26/2022	482
3134GA5T7	37579	FHLMC NOTES	02/28/2017	20,000,000.00	20,000,000.00	20,561,041.80	2.125	2.096	2.125	01/26/2022	482
3134GBGZ9	37669	FHLMC NOTES	04/27/2017	15,000,000.00	15,000,000.00	15,371,108.85	2.000	1.972	2.000	01/27/2022	483
3134GBJJ2	37741	FHLMC NOTES	04/26/2017	10,000,000.00	10,000,000.00	10,051,258.20	1.750	1.726	1.750	01/26/2021	117
3134GBJJ2	37742	FHLMC NOTES	04/26/2017	25,000,000.00	25,000,000.00	25,128,145.50	1.750	1.726	1.750	01/26/2021	117
3134GBLR1	37801	FHLMC NOTES	05/25/2017	20,000,000.00	20,000,000.00	20,047,747.60	1.750	1.726	1.750	11/25/2020	55
3134GBPM8	37817	FHLMC NOTES	05/24/2017	15,000,000.00	15,000,000.00	15,390,220.65	2.000	1.972	2.000	02/24/2022	511
3134GBRR5	37849	FHLMC NOTES	06/15/2017	20,000,000.00	20,000,000.00	20,235,898.40	1.800	1.775	1.800	06/15/2021	257
3134GBSW3	37894	FHLMC NOTES	06/22/2017	5,000,000.00	5,000,000.00	5,017,909.90	1.750	1.726	1.750	12/22/2020	82
3134GBYF3	37988	FHLMC NOTES	07/27/2017	5,750,000.00	5,750,000.00	5,780,659.40	1.800	1.775	1.800	01/27/2021	118
3134GBU83	38090	FHLMC NOTES	10/30/2017	15,000,000.00	15,000,000.00	15,298,409.70	2.000	1.972	2.000	10/29/2021	393
3134GBZ70	38170	FHLMC NOTES	11/27/2017	25,000,000.00	25,000,000.00	25,068,247.75	1.875	1.849	1.875	11/27/2020	57
3134GBZ70	38171	FHLMC NOTES	11/27/2017	10,000,000.00	10,000,000.00	10,027,299.10	1.875	1.849	1.875	11/27/2020	57
3134GSAC9	38334	FHLMC NOTES	12/28/2017	10,000,000.00	10,000,000.00	10,045,872.60	2.050	2.021	2.050	12/28/2020	88

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds -CALLABLE											
3134GSFE0	38466	FHLMC NOTES	02/26/2018	20,000,000.00	20,000,000.00	20,192,701.20	2.500	2.465	2.500	02/26/2021	148
3134GTH55	39698	FHLMC NOTES	07/19/2019	25,000,000.00	25,000,000.00	25,136,108.00	2.200	2.169	2.200	07/19/2024	1,387
3134GTS20	39726	FHLMC NOTES	08/02/2019	20,000,000.00	20,000,000.00	20,284,324.80	2.070	2.041	2.070	08/02/2024	1,401
3134GTS20	39727	FHLMC NOTES	08/02/2019	5,000,000.00	5,000,000.00	5,071,081.20	2.070	2.041	2.070	08/02/2024	1,401
3134GTS61	39728	FHLMC NOTES	08/05/2019	20,000,000.00	20,000,000.00	20,115,910.40	2.100	2.071	2.100	02/05/2024	1,222
3134GUFC9	39904	FHLMC NOTES	10/02/2019	25,000,000.00	25,000,000.00	25,001,599.25	2.000	1.972	2.000	10/02/2024	1,462
3134GUH78	40207	FHLMC NOTES	12/30/2019	15,000,000.00	15,000,000.00	15,048,970.65	2.000	1.972	2.000	12/30/2024	1,551
3134GUH78	40208	FHLMC NOTES	12/30/2019	20,000,000.00	20,000,000.00	20,065,294.20	2.000	1.972	2.000	12/30/2024	1,551
3134GUF21	40218	FHLMC NOTES	01/06/2020	25,000,000.00	25,000,000.00	25,097,062.00	1.920	1.893	1.920	01/06/2025	1,558
3134GUX88	40232	FHLMC NOTES	01/10/2020	20,000,000.00	20,000,000.00	20,088,352.20	1.750	1.725	1.749	01/22/2024	1,208
3134GUQ94	40234	FHLMC NOTES	01/10/2020	20,000,000.00	20,000,000.00	20,262,350.20	1.800	1.775	1.800	01/10/2025	1,562
3134GVCZ9	40334	FHLMC NOTES	02/18/2020	7,000,000.00	7,000,000.00	7,030,680.09	1.700	1.676	1.700	02/18/2025	1,601
3134GVCZ9	40335	FHLMC NOTES	02/18/2020	5,000,000.00	5,000,000.00	5,021,914.35	1.700	1.676	1.700	02/18/2025	1,601
3134GVKA5	40469	FHLMC NOTES	04/17/2020	30,000,000.00	30,000,000.00	30,005,547.30	1.200	1.183	1.200	04/16/2025	1,658
3134GVMA3	40475	FHLMC NOTES	04/21/2020	40,000,000.00	40,000,000.00	40,008,664.40	0.520	0.498	0.505	10/21/2021	385
3134GVMA3	40476	FHLMC NOTES	04/21/2020	40,000,000.00	40,000,000.00	40,008,664.40	0.520	0.498	0.505	10/21/2021	385
3134GVMN5	40483	FHLMC NOTES	04/27/2020	10,000,000.00	10,000,000.00	10,000,681.10	0.800	0.789	0.800	10/27/2023	1,121
3134GVNG9	40487	FHLMC NOTES	04/29/2020	30,000,000.00	30,000,000.00	30,030,382.20	0.750	0.739	0.750	01/29/2024	1,215
3134GVQE1	40491	FHLMC NOTES	05/01/2020	20,000,000.00	20,000,000.00	20,002,296.60	0.750	0.739	0.749	10/30/2024	1,490
3134GVVX3	40506	FHLMC NOTES	05/28/2020	6,000,000.00	6,000,000.00	6,007,113.60	0.750	0.739	0.750	05/28/2025	1,700
3134GVYX0	40508	FHLMC NOTES	06/03/2020	10,000,000.00	10,000,000.00	10,007,244.20	0.500	0.493	0.500	06/03/2024	1,341
3134GVYX0	40509	FHLMC NOTES	06/03/2020	10,000,000.00	10,000,000.00	10,007,244.20	0.500	0.493	0.500	06/03/2024	1,341
3134GVT73	40519	FHLMC NOTES	06/30/2020	15,000,000.00	15,000,000.00	15,012,873.30	0.700	0.690	0.700	06/30/2025	1,733
3134GWM94	40603	FHLMC NOTES	09/22/2020	9,997,517.96	10,000,000.00	9,989,019.70	0.330	0.332	0.337	03/15/2024	1,261
3134GWU79	40613	FHLMC NOTES	09/25/2020	35,947,843.24	35,955,000.00	35,899,181.66	0.375	0.375	0.380	03/25/2024	1,271
3134GWUD6	40625	FHLMC NOTES	09/30/2020	15,000,000.00	15,000,000.00	14,988,952.05	0.400	0.394	0.400	12/30/2024	1,551
3134GWWR3	40626	FHLMC NOTES	09/30/2020	24,500,000.00	24,500,000.00	24,447,407.81	0.520	0.512	0.520	09/30/2025	1,825
3136G3PR0	36797	FNMA NOTES	05/27/2016	24,992,488.88	25,000,000.00	25,222,253.25	1.500	1.526	1.548	05/26/2021	237
3135G04B6	40488	FNMA NOTES	04/29/2020	30,000,000.00	30,000,000.00	30,000,111.00	0.625	0.616	0.624	04/28/2023	939
3136G4WH2	40520	FNMA NOTES	06/30/2020	20,000,000.00	20,000,000.00	20,023,507.20	0.800	0.789	0.800	06/30/2025	1,733
3136G4XU2	40521	FNMA NOTES	06/30/2020	20,000,000.00	20,000,000.00	20,008,219.20	0.700	0.690	0.700	06/30/2025	1,733
3136G4XZ1	40522	FNMA NOTES	06/30/2020	15,000,000.00	15,000,000.00	15,001,831.05	0.740	0.729	0.740	06/30/2025	1,733

Fund COMM - COMMINGLED POOL
Investments by Fund
September 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds - CALLABLE											
3136G4XZ1	40523	FNMA NOTES	06/30/2020	5,000,000.00	5,000,000.00	5,000,610.35	0.740	0.729	0.740	06/30/2025	1,733
3136G4YF4	40524	FNMA NOTES	06/30/2020	10,000,000.00	10,000,000.00	10,000,991.20	0.700	0.690	0.700	06/30/2025	1,733
3136G4YU1	40528	FNMA NOTES	07/15/2020	10,000,000.00	10,000,000.00	10,005,581.20	0.730	0.720	0.730	07/15/2025	1,748
3136G4YU1	40529	FNMA NOTES	07/15/2020	5,518,000.00	5,518,000.00	5,521,079.71	0.730	0.720	0.730	07/15/2025	1,748
3136G4A45	40534	FNMA NOTES	07/22/2020	20,000,000.00	20,000,000.00	19,985,744.00	0.710	0.700	0.710	07/22/2025	1,755
3136G4B77	40543	FNMA NOTES	08/04/2020	20,000,000.00	20,000,000.00	20,008,266.60	0.700	0.690	0.700	08/04/2025	1,768
3135G05P4	40546	FNMA NOTES	08/10/2020	24,991,665.89	25,000,000.00	24,943,996.25	0.300	0.307	0.311	08/03/2023	1,036
3136G4H63	40550	FNMA NOTES	08/19/2020	11,500,000.00	11,500,000.00	11,500,476.68	0.550	0.542	0.550	08/19/2025	1,783
3136G4H63	40551	FNMA NOTES	08/19/2020	10,000,000.00	10,000,000.00	10,000,414.50	0.550	0.542	0.550	08/19/2025	1,783
3136G4H63	40552	FNMA NOTES	08/19/2020	15,000,000.00	15,000,000.00	15,000,621.75	0.550	0.542	0.550	08/19/2025	1,783
3136G4X40	40575	FNMA NOTES	09/08/2020	12,636,880.65	12,640,000.00	12,643,754.96	0.600	0.596	0.605	08/26/2025	1,790
3136G43H4	40592	FNMA NOTES	09/16/2020	11,685,000.00	11,685,000.00	11,671,456.03	0.400	0.394	0.400	09/16/2024	1,446
3136G43C5	40611	FNMA NOTES	09/24/2020	10,000,000.00	10,000,000.00	9,995,377.30	0.300	0.295	0.300	10/24/2023	1,118
			Subtotal and Average	1,324,001,668.40	1,324,048,000.00	1,329,252,850.99		1.271	1.289		1,061
US Treasury Notes											
9128287F1	40099	U.S. TREASURY NOTES	12/05/2019	40,033,704.99	40,000,000.00	40,539,080.00	1.750	1.623	1.646	07/31/2021	303
912828WY2	40115	U.S. TREASURY NOTES	12/09/2019	40,191,742.19	40,000,000.00	40,707,800.00	2.250	1.638	1.661	07/31/2021	303
9128286Z8	40155	U.S. TREASURY NOTES	12/13/2019	30,006,756.10	30,000,000.00	31,743,750.00	1.750	1.719	1.743	06/30/2024	1,368
9128282P4	40210	U.S. TREASURY NOTES	12/31/2019	40,190,376.46	40,000,000.00	41,278,120.00	1.875	1.586	1.608	07/31/2022	668
			Subtotal and Average	150,422,579.74	150,000,000.00	154,268,750.00		1.637	1.660		612
Corporate Bonds											
037833DJ6	38124	APPLE INC	11/13/2017	44,998,530.00	45,000,000.00	45,094,099.95	2.000	2.001	2.029	11/13/2020	43
037833DL1	39831	APPLE INC	09/11/2019	6,999,228.70	7,000,000.00	7,189,587.44	1.700	1.682	1.705	09/11/2022	710
037833CU2	40165	APPLE INC	12/16/2019	10,278,700.32	10,000,000.00	10,790,305.60	2.850	2.010	2.038	05/11/2024	1,318
037833DF4	40274	APPLE INC	01/23/2020	5,169,103.13	5,000,000.00	5,414,616.20	2.750	1.892	1.918	01/13/2025	1,565
037833DV9	40499	APPLE INC	05/11/2020	6,983,428.15	7,000,000.00	7,071,405.60	0.750	0.830	0.842	05/11/2023	952
037833DX5	40553	APPLE INC	08/20/2020	29,930,812.67	30,000,000.00	30,040,247.10	0.550	0.589	0.597	08/20/2025	1,784
084670BQ0	38830	BERKSHIRE HATHWY	06/29/2018	9,975,114.34	10,000,000.00	10,072,221.20	2.200	2.732	2.770	03/15/2021	165
084670BJ6	39496	BERKSHIRE HATHWY	04/30/2019	10,605,054.00	10,500,000.00	11,127,697.88	3.000	2.517	2.552	02/11/2023	863
084670BR8	39544	BERKSHIRE HATHWY	05/16/2019	16,677,070.46	16,624,000.00	17,511,592.43	2.750	2.576	2.611	03/15/2023	895

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Corporate Bonds											
084664BQ3	39658	BERKSHIRE HATHWY	07/03/2019	10,063,021.74	10,000,000.00	10,115,684.90	4.250	1.995	2.023	01/15/2021	106
084670BR8	40080	BERKSHIRE HATHWY	11/26/2019	22,070,564.46	21,623,000.00	22,777,500.19	2.750	1.850	1.876	03/15/2023	895
19416QEL0	39553	COLGATE-PALMOLIVE CO	05/20/2019	9,481,449.34	9,506,000.00	9,892,193.70	2.250	2.344	2.377	11/15/2022	775
166764BG4	39549	CHEVRON CORP.	05/17/2019	8,555,652.58	8,575,000.00	8,662,254.57	2.100	2.438	2.472	05/16/2021	227
166764BN9	39573	CHEVRON CORP.	05/24/2019	8,879,116.65	8,885,000.00	9,144,703.04	2.498	2.510	2.545	03/03/2022	518
166764AB6	40454	CHEVRON CORP.	04/13/2020	23,645,988.24	23,318,000.00	24,207,077.10	2.355	1.668	1.691	12/05/2022	795
166764BV1	40500	CHEVRON CORP.	05/11/2020	5,000,000.00	5,000,000.00	5,096,700.00	1.141	1.125	1.141	05/11/2023	952
166756AE6	40548	CHEVRON CORP.	08/12/2020	15,000,000.00	15,000,000.00	14,960,160.75	0.687	0.677	0.687	08/12/2025	1,776
02079KAA5	38601	GOOGLE INC	04/16/2018	16,800,064.51	16,705,000.00	17,064,835.72	3.625	2.645	2.682	05/19/2021	230
478160CD4	40031	JOHNSON & JOHNSON	11/12/2019	19,557,976.62	19,445,000.00	19,947,402.22	2.250	1.805	1.830	03/03/2022	518
191216BT6	38529	Coca-Cola Co	03/19/2018	7,495,798.56	7,500,000.00	7,508,680.58	1.875	2.646	2.682	10/27/2020	26
59217GEE5	40238	MET LIFE GLOBAL FUNDING	01/13/2020	10,006,850.00	10,000,000.00	10,339,584.30	1.950	1.892	1.918	01/13/2023	834
594918BW3	39355	MICROSOFT CORP	03/27/2019	20,015,648.20	20,000,000.00	20,554,702.80	2.400	2.305	2.337	02/06/2022	493
594918BW3	39361	MICROSOFT CORP	03/29/2019	20,033,624.15	20,000,000.00	20,554,702.80	2.400	2.235	2.266	02/06/2022	493
594918BX1	39489	MICROSOFT CORP	04/29/2019	6,541,055.62	6,500,000.00	6,995,168.44	2.875	2.635	2.672	02/06/2024	1,223
594918BQ6	40005	MICROSOFT CORP	11/01/2019	10,878,269.82	10,815,000.00	11,292,193.38	2.000	1.762	1.786	08/08/2023	1,041
742651DP4	40337	PRIVATE EXPORT FUND CORPORATIO	02/18/2020	11,759,578.12	11,385,000.00	12,228,152.15	2.450	1.526	1.548	07/15/2024	1,383
742651DX7	40379	PRIVATE EXPORT FUND CORPORATIO	03/13/2020	11,983,061.19	11,610,000.00	12,240,299.12	1.750	0.938	0.951	11/15/2024	1,506
742718EQ8	38524	PROCTER & GAMBLE	03/15/2018	19,780,384.10	20,000,000.00	20,324,655.20	1.700	2.728	2.766	11/03/2021	398
742718EQ8	38526	PROCTER & GAMBLE	03/16/2018	9,892,147.51	10,000,000.00	10,162,327.60	1.700	2.709	2.747	11/03/2021	398
89233P5F9	39332	TOYOTA MOTOR CREDIT	03/21/2019	11,283,759.80	11,213,000.00	11,540,159.68	3.400	2.675	2.712	09/15/2021	349
89236TFX8	39439	TOYOTA MOTOR CREDIT	04/12/2019	24,991,964.58	25,000,000.00	25,857,906.00	2.650	2.635	2.671	04/12/2022	558
89236TFX8	39452	TOYOTA MOTOR CREDIT	04/17/2019	14,991,465.91	15,000,000.00	15,514,743.60	2.650	2.652	2.688	04/12/2022	558
89236TGT6	40326	TOYOTA MOTOR CREDIT	02/13/2020	29,982,446.00	30,000,000.00	31,343,122.80	1.800	1.789	1.814	02/13/2025	1,596
90327QD48	40477	USAA CAPITAL CORP	04/21/2020	2,497,355.05	2,500,000.00	2,563,746.58	1.500	1.520	1.542	05/01/2023	942
90331HPA5	39207	U S BANK	02/04/2019	2,999,584.88	3,000,000.00	3,021,040.65	3.000	2.974	3.016	02/04/2021	126
90331HPC1	39569	U S BANK	05/23/2019	14,991,284.44	15,000,000.00	15,553,062.60	2.650	2.650	2.687	05/23/2022	599
90331HPF4	40117	U S BANK	12/09/2019	28,982,048.22	29,000,000.00	29,990,142.94	1.950	1.950	1.977	01/09/2023	830
90331HPF4	40154	U S BANK	12/13/2019	11,000,000.00	11,000,000.00	11,375,571.46	1.950	1.922	1.949	01/09/2023	830
90331HPL1	40268	U S BANK	01/21/2020	19,963,316.67	20,000,000.00	21,122,934.20	2.050	2.066	2.095	01/21/2025	1,573
92826CAC6	39527	VISA	05/09/2019	11,198,013.32	11,156,000.00	11,720,280.86	2.800	2.583	2.619	12/14/2022	804
92826CAB8	39917	VISA	10/07/2019	7,143,282.45	7,135,000.00	7,150,677.59	2.200	1.554	1.576	12/14/2020	74

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Corporate Bonds											
931142EA7	38076	WALMART	10/20/2017	6,999,338.24	7,000,000.00	7,023,976.26	1.900	1.920	1.947	12/15/2020	75
931142EL3	39714	WALMART	07/29/2019	5,119,338.20	5,000,000.00	5,432,654.85	2.850	2.148	2.178	07/08/2024	1,376
931142EK5	39996	WALMART	10/30/2019	10,393,401.22	10,000,000.00	10,803,758.10	3.400	1.878	1.904	06/26/2023	998
931142DV2	40315	WALMART	02/07/2020	28,967,463.38	27,975,000.00	30,298,171.29	2.650	1.741	1.765	12/15/2024	1,536
30231GAV4	38852	EXXON MOBIL CORP	09/10/2018	9,973,838.38	10,000,000.00	10,066,108.50	2.222	2.837	2.876	03/01/2021	151
30231GBB7	39747	EXXON MOBIL CORP	08/16/2019	5,000,000.00	5,000,000.00	5,148,106.15	1.902	1.875	1.902	08/16/2022	684
30231GAV4	39951	EXXON MOBIL CORP	10/22/2019	11,985,568.24	11,963,000.00	12,042,085.60	2.222	1.736	1.761	03/01/2021	151
30231GAC6	39998	EXXON MOBIL CORP	10/31/2019	5,197,388.18	5,000,000.00	5,408,254.60	3.176	1.950	1.977	03/15/2024	1,261
30231GBH4	40403	EXXON MOBIL CORP	03/19/2020	15,000,000.00	15,000,000.00	16,437,852.75	2.992	2.951	2.992	03/19/2025	1,630
30231GAF9	40505	EXXON MOBIL CORP	05/26/2020	5,323,729.36	5,000,000.00	5,404,062.75	2.709	1.184	1.200	03/06/2025	1,617
			Subtotal and Average	693,041,879.70	688,933,000.00	713,199,171.77		2.027	2.055		830
Asset Backed Securities (ABS)											
02007TAC9	40134	ALLY Auto Receivables Trust	12/11/2019	12,997,761.40	13,000,000.00	13,227,064.50	1.840	1.829	1.854	06/17/2024	1,355
05522RCZ9	39062	BANK OF AMERICA CREDIT CARD	12/12/2018	20,147,080.47	20,140,000.00	20,440,500.88	3.000	2.862	2.902	09/15/2023	1,079
05522RDA3	39082	BANK OF AMERICA CREDIT CARD	12/18/2018	15,000,585.94	15,000,000.00	15,340,192.50	3.100	3.064	3.107	12/15/2023	1,170
05522RCY2	39220	BANK OF AMERICA CREDIT CARD	02/08/2019	24,936,523.44	25,000,000.00	25,231,027.50	2.700	2.716	2.753	07/17/2023	1,019
05522RCY2	39320	BANK OF AMERICA CREDIT CARD	03/19/2019	19,987,500.00	20,000,000.00	20,184,822.00	2.700	2.711	2.749	07/17/2023	1,019
05586VAD4	39327	BMW VEHICLE LEASE TRUST	03/20/2019	7,498,898.25	7,500,000.00	7,620,207.75	2.920	2.906	2.946	08/22/2022	690
09659QAD9	38412	BMW VEHICLE OWNER TRUST	01/24/2018	8,890,979.19	8,891,068.10	8,933,970.17	2.350	2.329	2.362	04/25/2022	571
05588CAC6	39861	BMW VEHICLE OWNER TRUST	09/18/2019	17,247,681.60	17,250,000.00	17,561,964.52	1.920	1.907	1.934	01/25/2024	1,211
09661RAD3	40530	BMW VEHICLE OWNER TRUST	07/15/2020	8,499,358.25	8,500,000.00	8,521,833.10	0.480	0.477	0.484	10/25/2024	1,485
161571HN7	38708	CHASE ISSUANCE TRUST (ABS)	05/10/2018	37,000,000.00	37,000,000.00	37,031,779.30	0.362	1.140	1.155	04/17/2023	928
161571HP2	40336	CHASE ISSUANCE TRUST (ABS)	02/18/2020	26,993,814.30	27,000,000.00	27,772,575.30	1.530	1.523	1.544	01/15/2025	1,567
14041NFU0	39811	Capital One Multi Execution Tr	09/05/2019	34,991,187.00	35,000,000.00	35,956,112.50	1.720	1.711	1.735	08/15/2024	1,414
14042WAC4	39586	Capital One Prime Auto Receiv	05/30/2019	8,998,176.60	9,000,000.00	9,204,380.10	2.510	2.500	2.535	11/15/2023	1,140
14043MAC5	40340	Capital One Prime Auto Receiv	02/19/2020	24,994,685.00	25,000,000.00	25,553,590.00	1.600	1.592	1.614	11/15/2024	1,506
254683CH6	40411	Discover Card Execution Note	03/23/2020	15,131,250.00	15,000,000.00	15,444,087.00	3.320	2.792	2.831	03/15/2024	1,261
36259KAD9	40341	GM Fin'cl Auto Leasing Trust	02/19/2020	4,999,550.00	5,000,000.00	5,075,272.00	1.670	1.659	1.682	12/20/2022	810
36259PAD8	40512	GM Fin'cl Auto Leasing Trust	06/17/2020	1,499,805.75	1,500,000.00	1,512,183.00	0.800	0.798	0.809	07/20/2023	1,022
362569AC9	40623	GM Fin'cl Auto Leasing Trust	09/29/2020	8,499,185.70	8,500,000.00	8,500,000.00	0.450	0.450	0.456	08/21/2023	1,054
43811BAC8	37976	HONDA AUTO RECEIVABLES OWNER T	06/27/2017	1,766,827.84	1,766,980.68	1,768,885.49	1.680	1.666	1.690	08/16/2021	319

Fund COMM -COMMINGLED POOL
Investments by Fund
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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Asset Backed Securities (ABS)											
43814UAG4	38738	HONDA AUTO RECEIVABLES OWNER T	05/30/2018	6,579,902.09	6,580,045.53	6,655,105.43	3.010	2.988	3.030	05/18/2022	594
43815AAC6	39013	HONDA AUTO RECEIVABLES OWNER T	11/28/2018	19,255,638.22	19,258,517.36	19,636,169.18	3.160	3.144	3.188	01/17/2023	838
43814WAC9	39269	HONDA AUTO RECEIVABLES OWNER T	02/27/2019	13,749,631.50	13,750,000.00	14,052,267.63	2.830	2.809	2.848	03/20/2023	900
43815MAC0	39582	HONDA AUTO RECEIVABLES OWNER T	05/29/2019	16,999,365.90	17,000,000.00	17,426,286.90	2.520	2.500	2.535	06/21/2023	993
43815NAC8	39777	HONDA AUTO RECEIVABLES OWNER T	08/27/2019	7,249,939.83	7,250,000.00	7,388,088.58	1.780	1.762	1.787	08/15/2023	1,048
43813RAC1	40346	HONDA AUTO RECEIVABLES OWNER T	02/26/2020	16,496,766.00	16,500,000.00	16,888,784.55	1.610	1.602	1.625	04/21/2024	1,298
44891JAC2	40017	HYUNDAI AUTO RECEIVABLES TRUST	11/06/2019	11,749,458.33	11,750,000.00	12,006,604.73	1.940	1.923	1.950	02/15/2024	1,232
41284UAD6	40294	Harley-Davidson Motorcycle	01/29/2020	9,997,819.00	10,000,000.00	10,165,542.00	1.870	1.861	1.886	10/15/2024	1,475
47788CAC6	38476	JOHN DEERE OWNER TRUST	02/28/2018	2,411,247.38	2,411,420.76	2,424,615.81	2.660	2.641	2.678	04/18/2022	564
477870AC3	39706	JOHN DEERE OWNER TRUST	07/24/2019	8,748,142.38	8,750,000.00	8,957,337.38	2.210	2.199	2.230	12/15/2023	1,170
47787NAC3	40533	JOHN DEERE OWNER TRUST	07/22/2020	4,499,314.20	4,500,000.00	4,511,678.85	0.510	0.510	0.517	11/15/2024	1,506
58772TAC4	39190	MERCEDES-BENZ AUTO LEASE TRUST	01/30/2019	7,100,169.58	7,100,377.62	7,151,495.37	3.100	3.079	3.122	11/15/2021	410
58769QAC5	40062	MERCEDES-BENZ AUTO LEASE TRUST	11/20/2019	9,998,410.00	10,000,000.00	10,153,120.00	2.000	1.991	2.019	10/15/2022	744
58770FAC6	40392	MERCEDES-BENZ AUTO LEASE TRUST	03/17/2020	29,889,843.75	30,000,000.00	30,488,493.00	1.840	2.080	2.109	12/15/2022	805
58770FAC6	40410	MERCEDES-BENZ AUTO LEASE TRUST	03/23/2020	5,895,000.00	6,000,000.00	6,097,698.60	1.840	3.073	3.116	12/15/2022	805
58769EAB4	40608	MERCEDES-BENZ AUTO LEASE TRUST	09/23/2020	6,499,407.85	6,500,000.00	6,500,000.00	0.310	0.313	0.317	02/15/2023	867
58769TAD7	39883	MERCEDES -BENZ AUTO REC TRUST	09/25/2019	26,996,282.10	27,000,000.00	27,598,455.00	1.930	1.917	1.944	03/15/2024	1,261
58769VAC4	40515	MERCEDES -BENZ AUTO REC TRUST	06/23/2020	4,999,609.50	5,000,000.00	5,021,182.00	0.550	0.546	0.554	02/18/2025	1,601
65478DAD9	38475	NISSAN AUTO LEASE TRUST	02/28/2018	7,306,239.56	7,307,074.76	7,354,891.53	2.650	2.585	2.621	05/16/2022	592
65479HAC1	39578	Nissan Auto Receivables Owner	05/28/2019	19,995,478.00	20,000,000.00	20,495,668.00	2.500	2.489	2.523	11/15/2023	1,140
89238KAD4	38137	TOYOTA AUTO REC OWNER TRUST	11/15/2017	6,324,781.61	6,325,364.81	6,350,644.13	1.930	1.914	1.940	01/18/2022	474
89231PAD0	38958	TOYOTA AUTO REC OWNER TRUST	11/07/2018	9,997,837.00	10,000,000.00	10,180,444.00	3.180	3.167	3.211	03/15/2023	895
89233MAD5	40038	TOYOTA AUTO REC OWNER TRUST	11/13/2019	19,498,592.10	19,500,000.00	19,960,724.55	1.920	1.904	1.931	01/15/2024	1,201
92868LAD3	40416	VOLKSWAGEN AUTO LOAN ENHANCED	03/24/2020	15,713,115.11	15,777,828.86	16,014,182.31	3.020	3.281	3.326	11/21/2022	781
92867XAD8	39913	Volkswagen Auto Lease Trust	10/04/2019	10,499,834.10	10,500,000.00	10,695,130.95	1.990	1.971	1.999	11/21/2022	781
92349GAA9	39612	VERIZON OWNER TRUST	06/12/2019	34,997,553.50	35,000,000.00	35,838,208.00	2.330	2.312	2.344	12/20/2023	1,175
92348AAA3	39920	VERIZON OWNER TRUST	10/08/2019	23,998,149.60	24,000,000.00	24,564,679.20	1.940	1.924	1.951	04/20/2024	1,297
92290BAA9	40549	VERIZON OWNER TRUST	08/12/2020	29,243,857.50	29,250,000.00	29,278,109.25	0.470	0.473	0.480	02/20/2025	1,603
			Subtotal and Average	686,772,236.42	687,058,678.48	698,736,054.54		2.044	2.073		1,120
Municipal Bonds											
13063DVM7	40577	CALIFORNIA STATE	09/09/2020	30,517,284.62	26,650,000.00	30,557,956.00	5.000	0.266	0.270	11/01/2023	1,126

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
13063CP87	36731	CALIFORNIA ST	04/28/2016	14,992,446.70	15,000,000.00	15,084,150.00	1.500	1.608	1.630	04/01/2021	182
65887PHS7	37523	North Dakota State Finance	03/06/2017	517,270.15	500,000.00	524,000.00	5.000	1.400	1.420	10/01/2021	365
7976466Q4	40498	SAN FRANCISCO CITY & CNTY CA	05/07/2020	1,336,601.95	1,250,000.00	1,353,500.00	5.000	0.877	0.889	06/15/2022	622
91412GWY7	39314	UNIVERSITY CALIFORNIA REVS	03/15/2019	4,016,044.63	4,000,000.00	4,159,360.00	2.826	2.530	2.566	05/15/2022	591
91412HEX7	39321	UNIVERSITY CALIFORNIA REVS	03/19/2019	1,000,000.00	1,000,000.00	1,056,990.00	2.657	2.620	2.657	05/15/2023	956
91412HEW9	39322	UNIVERSITY CALIFORNIA REVS	03/19/2019	665,000.00	665,000.00	689,152.80	2.608	2.571	2.606	05/15/2022	591
91412HGE7	40532	UNIVERSITY CALIFORNIA REVS	07/16/2020	5,000,000.00	5,000,000.00	5,043,650.00	0.883	0.870	0.883	05/15/2025	1,687
917542WF5	40481	UTAH ST	04/23/2020	3,337,902.18	3,000,000.00	3,398,760.00	5.000	0.828	0.840	07/01/2023	1,003
			Subtotal and Average	61,382,550.23	57,065,000.00	61,867,518.80		0.908	0.921		873
Commercial Paper, Discount											
02314PK67	40545	Amazon	08/07/2020	49,999,385.30	50,000,000.00	49,999,416.50	0.090	0.090	0.091	10/06/2020	5
14178LK58	40449	CARGILL INC	04/09/2020	19,997,039.51	20,000,000.00	19,999,694.40	1.350	1.359	1.378	10/05/2020	4
14178LKK5	40455	CARGILL INC	04/13/2020	14,989,466.76	15,000,000.00	14,999,129.10	1.400	1.433	1.453	10/19/2020	18
43851TN44	40451	HONEYWELL	04/09/2020	49,815,976.27	50,000,000.00	49,978,133.50	1.400	1.433	1.453	01/04/2021	95
45920FKW7	40428	IBM	03/27/2020	24,973,653.04	25,000,000.00	24,997,708.25	1.300	1.335	1.353	10/30/2020	29
46640PP56	40542	J P Morgan Securities	08/03/2020	49,957,665.88	50,000,000.00	49,967,526.00	0.240	0.245	0.249	02/05/2021	127
46640PSU8	40562	J P Morgan Securities	09/02/2020	49,920,218.67	50,000,000.00	49,916,666.50	0.240	0.242	0.246	05/28/2021	239
19121ANU1	40372	Coca-Cola Co	03/12/2020	49,822,214.21	50,000,000.00	49,970,000.00	1.080	1.104	1.119	01/28/2021	119
59157TT45	40587	METLIFE SHORT TERM FUND	09/11/2020	49,931,779.45	50,000,000.00	49,945,111.00	0.200	0.202	0.205	06/04/2021	246
59157TTJ2	40616	METLIFE SHORT TERM FUND	09/25/2020	34,949,540.84	35,000,000.00	34,959,400.00	0.200	0.202	0.205	06/18/2021	260
71344TKT8	40421	PEPSICO INC	03/25/2020	59,901,621.98	60,000,000.00	59,995,050.00	2.250	2.323	2.355	10/27/2020	26
30229AT17	40579	EXXON MOBIL CORP	09/09/2020	49,935,980.18	50,000,000.00	49,945,778.00	0.190	0.192	0.194	06/01/2021	243
30229ATJ8	40618	Exxon Mobil Group	09/28/2020	49,931,528.99	50,000,000.00	49,942,000.00	0.190	0.192	0.194	06/18/2021	260
			Subtotal and Average	554,126,071.08	555,000,000.00	554,615,613.25		0.745	0.756		141
Federal Agency Discount Notes											
313385BE5	40457	FHLB DISCOUNT	04/14/2020	65,943,236.95	66,000,000.00	65,980,200.00	0.260	0.264	0.267	01/29/2021	120
31315KM98	40450	FARMER MAC DISCOUNT NOTE	04/09/2020	59,985,179.38	60,000,000.00	59,996,266.80	0.280	0.284	0.288	11/02/2020	32
76116FAE7	40426	REFCORP	03/26/2020	34,990,378.94	35,000,000.00	34,998,148.50	0.708	0.720	0.730	10/15/2020	14
			Subtotal and Average	160,918,795.27	161,000,000.00	160,974,615.30		0.371	0.376		64

Fund COMM -COMMINGLED POOL
Investments by Fund
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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Treasury Bills											
912796UC1	40627	U.S. TREASURY NOTES	09/30/2020	49,984,427.83	50,000,000.00	49,983,250.00	0.095	0.096	0.097	01/28/2021	119
			Subtotal and Average	49,984,427.83	50,000,000.00	49,983,250.00		0.096	0.098		119
Local Agency Investment Fund											
SYS8506	8506	LOCAL AGENCY INVEST FUND	07/01/2015	42,919,834.91	42,919,834.91	42,919,834.91	0.686	0.676	0.686		1
			Subtotal and Average	42,919,834.91	42,919,834.91	42,919,834.91		0.677	0.686		1
Money Market											
SYS40461	40461	Dreyfus Government Cash Mgmt	04/15/2020	400,059,482.85	400,059,482.85	400,059,482.85	0.030	0.029	0.030		1
SYS37590	37590	J P MORGAN US GOVT MMF	02/27/2017	3,095.31	3,095.31	3,095.31	0.010	0.009	0.010		1
SYS23519	23519	BLACKKROCK TREASURY LIQ FUND	02/01/2008	545,610,223.78	545,610,223.78	545,610,223.78	0.030	0.029	0.030		1
			Subtotal and Average	945,672,801.94	945,672,801.94	945,672,801.94		0.030	0.030		1
Other -Floaters -Daily Reset											
459058JJ3	40600	INTL BANK RECON & DEVELOP	09/18/2020	45,000,000.00	45,000,000.00	44,957,124.00	0.390	0.405	0.411	09/18/2025	1,813
			Subtotal and Average	45,000,000.00	45,000,000.00	44,957,124.00		0.405	0.411		1,813
Agency -Floaters -Daily Reset											
31422BM64	40547	FARMER MAC	08/11/2020	25,000,000.00	25,000,000.00	24,990,672.75	0.190	0.202	0.205	08/11/2022	679
31422BR36	40614	FARMER MAC	09/25/2020	35,000,000.00	35,000,000.00	34,979,145.95	0.240	0.243	0.246	09/25/2023	1,089
3133EL4V3	40559	FFCB NOTES	08/28/2020	74,993,101.79	75,000,000.00	75,008,634.00	0.155	0.154	0.157	07/25/2022	662
			Subtotal and Average	134,993,101.79	135,000,000.00	134,978,452.70		0.187	0.189		775
Supranationals -Green Bond											
45818WBU9	38324	IADB	12/21/2017	25,000,000.00	25,000,000.00	24,998,075.25	0.325	1.503	1.524	01/15/2022	471
			Subtotal and Average	25,000,000.00	25,000,000.00	24,998,075.25		1.503	1.524		471
Supranationals											
45818WBP0	38317	IADB	12/21/2017	45,014,256.39	45,000,000.00	45,011,032.65	0.345	1.375	1.394	07/15/2022	652
45818WBM7	38385	IADB	01/12/2018	20,029,327.81	20,000,000.00	20,015,447.20	0.475	1.624	1.647	07/15/2021	287
45818WBM7A	38739	IADB	05/30/2018	10,019,401.40	10,000,000.00	10,007,723.60	1.419	1.844	1.870	07/15/2021	287
4581X0DF2	39495	IADB	04/29/2019	17,115,504.33	17,000,000.00	18,291,895.62	2.625	2.372	2.405	01/16/2024	1,202
459058GQ0	39367	INTL BANK RECON & DEVELOP	04/02/2019	5,024,722.55	5,000,000.00	5,368,732.50	2.500	2.315	2.347	03/19/2024	1,265

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Supranationals											
45905U5S9	40146	INTL BANK RECON & DEVELOP	12/12/2019	25,000,000.00	25,000,000.00	25,076,902.00	2.000	1.767	1.791	12/12/2024	1,533
459058GH0	40161	INTL BANK RECON & DEVELOP	12/16/2019	40,327,323.40	40,000,000.00	40,824,000.00	2.750	1.698	1.722	07/23/2021	295
		Subtotal and Average		162,530,535.88	162,000,000.00	164,595,733.57		1.710	1.733		708
		Total Investments and Average		7,767,383,635.71	7,747,598,709.50	7,858,137,079.29		1.266	1.284		630

Fund WK -WORKERS COMP
Investments by Fund
September 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Mortgage Backed Securities (MBS)											
3138LGKH8	39318	FNMA Multi-Family	03/19/2019	2,953,125.00	3,000,000.00	3,151,155.75	2.470	2.794	2.833	01/01/2024	1,187
3136AEX69	40525	FNMA Multi-Family	06/26/2020	453,464.86	436,581.44	452,473.05	2.389	0.728	0.739	01/25/2023	846
			Subtotal and Average	3,406,589.86	3,436,581.44	3,603,628.80		2.520	2.555		1,141
Federal Agency Bonds											
3133EJZU6	38872	FFCB NOTES	09/27/2018	2,997,053.18	3,000,000.00	3,078,299.25	2.850	2.915	2.956	09/20/2021	354
3133EJZH5	38879	FFCB NOTES	10/05/2018	995,638.49	1,000,000.00	1,051,173.26	2.800	2.997	3.038	09/13/2022	712
3133EJ3B3	39112	FFCB NOTES	12/24/2018	2,001,552.21	2,000,000.00	2,064,211.34	2.800	2.695	2.732	12/17/2021	442
3130A0F70	39114	FHLB NOTES	12/24/2018	1,524,717.72	1,500,000.00	1,647,599.33	3.375	2.778	2.817	12/08/2023	1,163
3137EAEC9	37310	FHLMC NOTES	12/30/2016	2,482,255.97	2,500,000.00	2,521,169.10	1.125	1.961	1.988	08/12/2021	315
3135G03U5	40497	FNMA NOTES	05/07/2020	1,502,109.86	1,500,000.00	1,520,321.81	0.625	0.585	0.593	04/22/2025	1,664
			Subtotal and Average	11,503,327.43	11,500,000.00	11,882,774.09		2.356	2.389		670
Federal Agency Bonds -CALLABLE											
3130AJLA5	40503	FHLB NOTES	05/19/2020	3,000,000.00	3,000,000.00	2,976,129.84	0.750	0.739	0.750	05/19/2025	1,691
3130AJLA5	40504	FHLB NOTES	05/19/2020	2,000,000.00	2,000,000.00	1,984,086.56	0.750	0.739	0.750	05/19/2025	1,691
			Subtotal and Average	5,000,000.00	5,000,000.00	4,960,216.40		0.740	0.750		1,691
Money Market											
SYS34789	34789	BLACKKROCK TREASURY LIQ FUND	12/26/2013	9,617,292.44	9,617,292.44	9,617,292.44	0.030	0.029	0.030		1
			Subtotal and Average	9,617,292.44	9,617,292.44	9,617,292.44		0.030	0.030		1
			Total Investments and Average	29,527,209.73	29,553,873.88	30,063,911.73		1.344	1.362		679

Fund PCF -PARK CHARTER FUND
Investments by Fund
September 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EJ3B3	39113	FFCB NOTES	12/24/2018	1,701,319.38	1,700,000.00	1,754,579.64	2.800	2.695	2.732	12/17/2021	442
3137EAEC9	37307	FHLMC NOTES	12/30/2016	496,451.19	500,000.00	504,233.82	1.125	1.961	1.988	08/12/2021	315
			Subtotal and Average	2,197,770.57	2,200,000.00	2,258,813.46		2.530	2.565		413
Money Market											
SYS33657	33657	BLACKKROCK TREASURY LIQ FUND	09/30/2012	2,142,068.61	2,142,068.61	2,142,068.61	0.030	0.029	0.030		1
			Subtotal and Average	2,142,068.61	2,142,068.61	2,142,068.61		0.030	0.030		1
			Total Investments and Average	4,339,839.18	4,342,068.61	4,400,882.07		1.296	1.314		209

Fund SJE -SAN JOSE-EVERGREEN
Investments by Fund
September 30, 2020

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
010411AE6	39793	Alabama State	08/30/2019	516,636.76	500,000.00	520,075.00	5.000	0.947	0.960	08/01/2021	304
041042UP5	40021	ARKANSAS ST	11/07/2019	518,544.83	500,000.00	528,510.00	3.000	1.094	1.110	10/01/2022	730
13063C5Q9	37543	CALIFORNIA ST	03/14/2017	527,170.06	500,000.00	544,505.00	5.000	1.844	1.870	08/01/2022	669
13063DSG4	40064	CALIFORNIA ST	11/20/2019	540,080.11	500,000.00	550,100.00	5.000	1.065	1.080	11/01/2022	761
20772JQ96	37546	Connecticut-F	03/09/2017	516,563.76	500,000.00	526,820.00	5.000	1.873	1.900	11/15/2021	410
246381NB9	39874	DELAWARE ST	09/23/2019	560,459.18	500,000.00	580,250.00	5.000	1.242	1.260	02/01/2024	1,218
373385CF8	40048	GEORGIA ST	11/15/2019	533,631.08	500,000.00	542,480.00	5.000	1.075	1.090	07/01/2022	638
419792JY3	39790	Hawaii State	08/30/2019	559,924.95	500,000.00	571,420.00	5.000	0.907	0.920	10/01/2023	1,095
57582RKW5	37561	MASSACHUSETTS ST	03/16/2017	209,667.04	200,000.00	214,532.00	5.000	1.607	1.630	04/01/2022	547
57582RWB8	39846	MASSACHUSETTS ST	09/13/2019	532,868.75	500,000.00	542,480.00	5.000	1.154	1.170	07/01/2022	638
57582RQU3	40039	MASSACHUSETTS ST	11/13/2019	111,505.76	100,000.00	114,830.00	5.000	1.154	1.170	11/01/2023	1,126
574193KT4	39795	MARYLAND ST	08/30/2019	107,170.20	100,000.00	108,882.00	5.000	1.006	1.020	08/01/2022	669
574193RL4	39807	MARYLAND ST	09/04/2019	555,132.20	500,000.00	568,285.00	5.000	1.006	1.020	08/01/2023	1,034
574193PA0	40057	MARYLAND ST	11/19/2019	321,073.15	300,000.00	326,646.00	5.000	1.085	1.100	08/01/2022	669
56052AZE9	39802	Maine State	09/03/2019	431,129.73	420,000.00	433,570.20	5.000	0.966	0.980	06/01/2021	243
60412AQP1	39803	MINNESOTA ST	09/03/2019	555,882.67	500,000.00	568,135.00	5.000	0.957	0.970	08/01/2023	1,034
6041297C4	39813	MINNESOTA ST	09/05/2019	535,852.01	500,000.00	544,310.00	5.000	1.006	1.020	08/01/2022	669
60412ADC4	40040	MINNESOTA ST	11/13/2019	427,847.12	400,000.00	435,448.00	5.000	1.115	1.131	08/01/2022	669
658256Z21	39792	NORTH CAROLINA ST	08/30/2019	552,633.01	500,000.00	564,475.00	5.000	0.956	0.970	06/01/2023	973
647293RQ4	39826	NEW MEXICO ST SEVERANCE TAX	09/10/2019	527,546.30	500,000.00	533,940.00	5.000	1.035	1.050	03/01/2022	516
677521Q82	37526	OHIO ST	03/08/2017	315,184.07	305,000.00	319,514.95	5.000	1.509	1.530	10/01/2021	365
677522XY5	39812	OHIO ST	09/05/2019	526,139.49	500,000.00	532,430.00	5.000	1.006	1.020	02/01/2022	488
677522Q80	40063	OHIO ST	11/20/2019	545,264.31	500,000.00	558,515.00	5.000	1.155	1.171	03/01/2023	881
68609BSH1	39791	OREGON ST	08/30/2019	570,548.43	500,000.00	585,380.00	5.000	0.948	0.961	05/01/2024	1,308
68609TJY5	39873	OREGON ST	09/23/2019	204,916.84	200,000.00	206,462.00	5.000	1.242	1.260	06/01/2021	243
882723RA9	40026	TEXAS STATE REFUNDING	11/08/2019	547,321.75	500,000.00	559,840.00	5.000	1.114	1.130	04/01/2023	912
917542UG5	40033	UTAH ST	11/12/2019	551,693.28	500,000.00	566,460.00	5.000	1.134	1.150	07/01/2023	1,003
9242582V7	39794	VERMONT ST	08/30/2019	546,891.12	500,000.00	557,325.00	5.000	0.956	0.970	02/15/2023	867
93974CC65	37524	WASHINGTON ST	03/08/2017	513,169.67	500,000.00	518,180.00	5.000	1.352	1.371	07/01/2021	273
93974DM70	40027	WASHINGTON ST	11/08/2019	628,320.06	550,000.00	649,643.50	5.000	1.154	1.170	08/01/2024	1,400
97705MFT7	37717	WISCONSIN STATE	03/29/2017	525,169.30	500,000.00	538,350.00	5.000	1.647	1.670	05/01/2022	577
956553XU0	40032	West Virginia State	11/12/2019	620,881.19	565,000.00	636,726.75	5.000	1.183	1.200	06/01/2023	973

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
			Subtotal and Average	15,236,818.18	14,140,000.00	15,548,520.40		1.161	1.178		776
Money Market -Tax Exempt											
SYS33615	33615	Dreyfus Tax Exempt Inst	09/25/2012	5,747,256.43	5,747,256.43	5,747,256.43	0.030	0.029	0.030		1
			Subtotal and Average	5,747,256.43	5,747,256.43	5,747,256.43		0.030	0.030		1
			Total Investments and Average	20,984,074.61	19,887,256.43	21,295,776.83		0.851	0.863		563

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
July 1, 2020 - September 30, 2020
Sorted by Transaction Date - Transaction Date
COMMINGLED POOL Fund

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40526	COMM	3137BSP64	FHLMCM 2.34% MAT	Purchase	07/01/2020	FHLMC Multi-Family	18,339,847.71			-18,339,847.71
38352	COMM	3134GSAX3	FEDERAL HOME LN	Redemption	07/01/2020	FHLMC NOTES		25,000,000.00		25,000,000.00
38352	COMM	3134GSAX3	FEDERAL HOME LN	Interest	07/01/2020	FHLMC NOTES			277,500.00	277,500.00
40391	COMM	31422BWJ5	FEDERAL AGRIC	Interest	07/01/2020	FARMER MAC			11,488.89	11,488.89
40481	COMM	917542WF5	UTAH ST, GO BDS	Interest	07/01/2020	UTAH ST			51,666.67	51,666.67
40481	COMM	917542WF5	UTAH ST, GO BDS	Accr Int	07/01/2020	UTAH ST		23,333.33	-23,333.33	0.00
		Totals for 07/01/2020					18,339,847.71	25,023,333.33	317,322.23	7,000,807.85
40304	COMM	21684XDW3	COOPERATIEVE	Redemption	07/02/2020	RABOBANK		50,000,000.00		50,000,000.00
40044	COMM	3135G0V75	FEDERAL NATL MTG	Interest	07/02/2020	FNMA NOTES			218,750.00	218,750.00
40304	COMM	21684XDW3	COOPERATIEVE	Interest	07/02/2020	RABOBANK			341,666.67	341,666.67
34292	COMM	SYS34292	MSTI 0.%	Interest	07/02/2020	MORGAN STANLEY			3.79	3.79
34292	COMM	SYS34292	MSTI 0.%	Purchase	07/02/2020	MORGAN STANLEY	3.79			-3.79
37590	COMM	SYS37590	JPM TE 0.44%	Interest	07/02/2020	JP MORGAN US			8,601.83	8,601.83
37590	COMM	SYS37590	JPM TE 0.44%	Purchase	07/02/2020	JP MORGAN US	8,601.83			-8,601.83
40461	COMM	SYS40461	DGCXX 0.%	Interest	07/02/2020	Dreyfus Government			13,939.64	13,939.64
40461	COMM	SYS40461	DGCXX 0.%	Purchase	07/02/2020	Dreyfus Government	13,939.64			-13,939.64
		Totals for 07/02/2020					22,545.26	50,000,000.00	582,961.93	50,560,416.67
37582	COMM	3135G0S38	FEDERAL NATL MTG	Interest	07/06/2020	FNMA NOTES			100,000.00	100,000.00
38079	COMM	3135G0S38	FEDERAL NATL MTG	Interest	07/06/2020	FNMA NOTES			100,000.00	100,000.00
38142	COMM	3135G0S38	FEDERAL NATL MTG	Interest	07/06/2020	FNMA NOTES			113,950.00	113,950.00
38837	COMM	3133EJTT6	FEDERAL FARM CR	Interest	07/06/2020	FFCB NOTES			65,625.00	65,625.00
38838	COMM	3133EJTT6	FEDERAL FARM CR	Interest	07/06/2020	FFCB NOTES			65,625.00	65,625.00
40218	COMM	3134GUF21	FEDERAL HOME LN	Interest	07/06/2020	FHLMC NOTES			240,000.00	240,000.00
		Totals for 07/06/2020							685,200.00	685,200.00
40233	COMM	3135G0X24	FEDERAL NATL MTG	Interest	07/07/2020	FNMA NOTES			119,843.75	119,843.75
		Totals for 07/07/2020							119,843.75	119,843.75
39714	COMM	931142EL3	WALMART INC, SR	Interest	07/08/2020	WALMART			71,250.00	71,250.00
		Totals for 07/08/2020							71,250.00	71,250.00
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Purchase	07/09/2020	FHLMC Multi-Family	20,380,689.98			-20,380,689.98
37590	COMM	SYS37590	JPM TE 0.44%	Redemption	07/09/2020	JP MORGAN US		200,008,601.83		200,008,601.83
40461	COMM	SYS40461	DGCXX 0.%	Redemption	07/09/2020	Dreyfus Government		200,000,000.00		200,000,000.00
40117	COMM	90331HPF4	USB 1.95% MAT	Interest	07/09/2020	U S BANK			329,875.00	329,875.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40154	COMM	90331HPF4	USB 1.95% MAT	Interest	07/09/2020	U S BANK			125,125.00	125,125.00
40154	COMM	90331HPF4	USB 1.95% MAT	Accr Int	07/09/2020	U S BANK		2,383.33	-2,383.33	0.00
		Totals for 07/09/2020					20,380,689.98	400,010,985.16	452,616.67	380,082,911.85
40107	COMM	17305TM25	CITINA 1.84% MAT	Redemption	07/10/2020	CITI BANK NA		30,000,000.00		30,000,000.00
40107	COMM	17305TM25	CITINA 1.84% MAT	Interest	07/10/2020	CITI BANK NA			332,733.33	332,733.33
40234	COMM	3134GUQ94	FEDERAL HOME LN	Interest	07/10/2020	FHLMC NOTES			180,000.00	180,000.00
		Totals for 07/10/2020						30,000,000.00	512,733.33	30,512,733.33
39157	COMM	3133EJ4Q9	FEDERAL FARM CR	Interest	07/13/2020	FFCB NOTES			255,000.00	255,000.00
40083	COMM	3137EADB2	FEDERAL HOME LN	Interest	07/13/2020	FHLMC NOTES			237,500.00	237,500.00
40238	COMM	59217GEE5	MET LI 1.95% MAT	Interest	07/13/2020	MET LIFE GLOBAL			97,500.00	97,500.00
40274	COMM	037833DF4	APPLE INC, SR GLBL	Interest	07/13/2020	APPLE INC			68,750.00	68,750.00
40274	COMM	037833DF4	APPLE INC, SR GLBL	Accr Int	07/13/2020	APPLE INC		3,819.44	-3,819.44	0.00
		Totals for 07/13/2020						3,819.44	654,930.56	658,750.00
40250	COMM	63763PGE3	NSCCPP DISC NOTE	Redemption	07/14/2020	NATL SEC		30,000,000.00		30,000,000.00
40516	COMM	63763PGE3	NSCCPP DISC NOTE	Redemption	07/14/2020	NATL SEC		40,000,000.00		40,000,000.00
		Totals for 07/14/2020						70,000,000.00		70,000,000.00
40530	COMM	09661RAD3	BMWOT 0.48% MAT	Purchase	07/15/2020	BMW VEHICLE	8,499,358.25			-8,499,358.25
40531	COMM	3133ELT95	FEDERAL FARM CR	Purchase	07/15/2020	FFCB NOTES	7,997,048.89			-7,997,048.89
40528	COMM	3136G4YU1	FEDERAL NATL MTG	Purchase	07/15/2020	FNMA NOTES	10,000,000.00			-10,000,000.00
40529	COMM	3136G4YU1	FEDERAL NATL MTG	Purchase	07/15/2020	FNMA NOTES	5,518,000.00			-5,518,000.00
40461	COMM	SYS40461	DGCXX 0.%	Purchase	07/15/2020	Dreyfus Government	150,000,000.00			-150,000,000.00
8506	COMM	SYS8506	LAIF 1.65%	Purchase	07/15/2020	LOCAL AGENCY	156,036.73			-156,036.73
39682	COMM	3134GTA52	FHLMC 2.3% MAT	Redemption	07/15/2020	FHLMC NOTES		15,000,000.00		15,000,000.00
38317	COMM	45818WBP0	IADB 1.42917% MAT	Interest	07/15/2020	IADB			146,700.00	146,700.00
38324	COMM	45818WBU9	IADB 1.64203% MAT	Interest	07/15/2020	IADB			79,250.00	79,250.00
38385	COMM	45818WBM7	IADB 1.92152% MAT	Interest	07/15/2020	IADB			71,800.00	71,800.00
38739	COMM	45818WBM7A	IADB 1.92152% MAT	Interest	07/15/2020	IADB			35,900.00	35,900.00
39658	COMM	084664BQ3	BERKSHIRE	Interest	07/15/2020	BERKSHIRE			212,500.00	212,500.00
39682	COMM	3134GTA52	FHLMC 2.3% MAT	Interest	07/15/2020	FHLMC NOTES			172,500.00	172,500.00
40337	COMM	742651DP4	PEFCO 2.45% MAT	Interest	07/15/2020	PRIVATE EXPORT			139,466.25	139,466.25
40337	COMM	742651DP4	PEFCO 2.45% MAT	Accr Int	07/15/2020	PRIVATE EXPORT		25,568.81	-25,568.81	0.00
37976	COMM	43811BAC8	HAROT 1.68% MAT	Interest	07/15/2020	HONDA AUTO			6,628.27	6,628.27
37976	COMM	43811BAC8	HAROT 1.68% MAT	Redemption	07/15/2020	HONDA AUTO		1,033,555.24		1,033,555.24
38137	COMM	89238KAD4	TAOT 1.93% MAT	Interest	07/15/2020	TOYOTA AUTO REC			16,645.37	16,645.37
38137	COMM	89238KAD4	TAOT 1.93% MAT	Redemption	07/15/2020	TOYOTA AUTO REC		1,404,538.03		1,404,538.03
38475	COMM	65478DAD9	NALT 2.65% MAT	Interest	07/15/2020	NISSAN AUTO			23,852.35	23,852.35
38475	COMM	65478DAD9	NALT 2.65% MAT	Redemption	07/15/2020	NISSAN AUTO		1,194,602.61		1,194,602.61
38476	COMM	47788CAC6	JDOT 2.66% MAT	Interest	07/15/2020	JOHN DEERE			8,151.64	8,151.64

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
38476	COMM	47788CAC6	JDOT 2.66% MAT	Redemption	07/15/2020	JOHN DEERE		379,894.14		379,894.14
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Interest	07/15/2020	CHASE ISSUANCE			11,863.13	11,863.13
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Redemption	07/15/2020	CHASE ISSUANCE		1,211,010.06		1,211,010.06
38958	COMM	89231PAD0	TAOT 3.18% MAT	Interest	07/15/2020	TOYOTA AUTO REC			26,500.00	26,500.00
38958	COMM	89231PAD0	TAOT 3.18% MAT	Redemption	07/15/2020	TOYOTA AUTO REC		323,278.94		323,278.94
39013	COMM	43815AAC6	HAROT 3.16% MAT	Interest	07/15/2020	HONDA AUTO			57,274.99	57,274.99
39013	COMM	43815AAC6	HAROT 3.16% MAT	Redemption	07/15/2020	HONDA AUTO		723,886.67		723,886.67
39062	COMM	05522RCZ9	BACCT 3.% MAT	Interest	07/15/2020	BANK OF AMERICA			50,350.00	50,350.00
39062	COMM	05522RCZ9	BACCT 3.% MAT	Redemption	07/15/2020	BANK OF AMERICA		576,295.30		576,295.30
39082	COMM	05522RDA3	BACCT 3.1% MAT	Interest	07/15/2020	BANK OF AMERICA			38,750.00	38,750.00
39082	COMM	05522RDA3	BACCT 3.1% MAT	Redemption	07/15/2020	BANK OF AMERICA		393,468.35		393,468.35
39190	COMM	58772TAC4	MBALT 3.1% MAT	Interest	07/15/2020	MERCEDES-BENZ			25,833.33	25,833.33
39190	COMM	58772TAC4	MBALT 3.1% MAT	Redemption	07/15/2020	MERCEDES-BENZ		737,578.51		737,578.51
39220	COMM	05522RCY2	BACCT 2.7% MAT	Interest	07/15/2020	BANK OF AMERICA			56,250.00	56,250.00
39220	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	07/15/2020	BANK OF AMERICA		745,761.70		745,761.70
39320	COMM	05522RCY2	BACCT 2.7% MAT	Interest	07/15/2020	BANK OF AMERICA			45,000.00	45,000.00
39320	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	07/15/2020	BANK OF AMERICA		597,754.22		597,754.22
39578	COMM	65479HAC1	NAROT 2.5% MAT	Interest	07/15/2020	Nissan Auto Receivab			41,666.66	41,666.66
39578	COMM	65479HAC1	NAROT 2.5% MAT	Redemption	07/15/2020	Nissan Auto Receivab		513,830.29		513,830.29
39586	COMM	14042WAC4	COPAR 2.51% MAT	Interest	07/15/2020	Capital One Prime Au			18,825.00	18,825.00
39586	COMM	14042WAC4	COPAR 2.51% MAT	Redemption	07/15/2020	Capital One Prime Au		231,193.64		231,193.64
39706	COMM	477870AC3	JDOT 2.21% MAT	Interest	07/15/2020	JOHN DEERE			16,114.59	16,114.59
39706	COMM	477870AC3	JDOT 2.21% MAT	Redemption	07/15/2020	JOHN DEERE		216,359.90		216,359.90
39777	COMM	43815NAC8	HAROT 1.78% MAT	Interest	07/15/2020	HONDA AUTO			10,754.16	10,754.16
39777	COMM	43815NAC8	HAROT 1.78% MAT	Redemption	07/15/2020	HONDA AUTO		198,686.53		198,686.53
39811	COMM	14041NFU0	COMET 1.72% MAT	Interest	07/15/2020	Capital One Multi Ex			50,166.66	50,166.66
39811	COMM	14041NFU0	COMET 1.72% MAT	Redemption	07/15/2020	Capital One Multi Ex		733,271.24		733,271.24
39883	COMM	58769TAD7	MBART 1.93% MAT	Interest	07/15/2020	MERCEDES -BENZ			43,650.01	43,650.01
39883	COMM	58769TAD7	MBART 1.93% MAT	Redemption	07/15/2020	MERCEDES -BENZ		623,389.53		623,389.53
40017	COMM	44891JAC2	HART 1.94% MAT	Interest	07/15/2020	HYUNDAI AUTO			18,995.84	18,995.84
40017	COMM	44891JAC2	HART 1.94% MAT	Redemption	07/15/2020	HYUNDAI AUTO		273,299.61		273,299.61
40038	COMM	89233MAD5	TAOT 1.92% MAT	Interest	07/15/2020	TOYOTA AUTO REC			31,200.00	31,200.00
40038	COMM	89233MAD5	TAOT 1.92% MAT	Redemption	07/15/2020	TOYOTA AUTO REC		464,000.02		464,000.02
40062	COMM	58769QAC5	MBALT 2.% MAT	Interest	07/15/2020	MERCEDES-BENZ			16,666.67	16,666.67
40062	COMM	58769QAC5	MBALT 2.% MAT	Redemption	07/15/2020	MERCEDES-BENZ		362,077.35		362,077.35
40134	COMM	02007TAC9	ALLY 1.84% MAT	Interest	07/15/2020	ALLY Auto			19,933.33	19,933.33
40134	COMM	02007TAC9	ALLY 1.84% MAT	Redemption	07/15/2020	ALLY Auto		272,738.88		272,738.88
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Interest	07/15/2020	Harley-Davidson Moto			15,583.33	15,583.33
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Redemption	07/15/2020	Harley-Davidson Moto		194,598.14		194,598.14
40336	COMM	161571HP2	CHAIT 1.53% MAT	Interest	07/15/2020	CHASE ISSUANCE			34,425.00	34,425.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40336	COMM	161571HP2	CHAIT 1.53% MAT	Redemption	07/15/2020	CHASE ISSUANCE		496,303.57		496,303.57
40340	COMM	14043MAC5	COPAR 1.6% MAT	Interest	07/15/2020	Capital One Prime Au			33,333.33	33,333.33
40340	COMM	14043MAC5	COPAR 1.6% MAT	Redemption	07/15/2020	Capital One Prime Au		475,988.84		475,988.84
40392	COMM	58770FAC6	MBALT 1.84% MAT	Interest	07/15/2020	MERCEDES-BENZ			45,999.99	45,999.99
40392	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	07/15/2020	MERCEDES-BENZ		1,003,427.54		1,003,427.54
40410	COMM	58770FAC6	MBALT 1.84% MAT	Interest	07/15/2020	MERCEDES-BENZ			9,200.00	9,200.00
40410	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	07/15/2020	MERCEDES-BENZ		197,900.18		197,900.18
40411	COMM	254683CH6	DCENT 3.32% MAT	Interest	07/15/2020	Discover Card Execut			41,500.01	41,500.01
40411	COMM	254683CH6	DCENT 3.32% MAT	Redemption	07/15/2020	Discover Card Execut		366,529.63		366,529.63
40515	COMM	58769VAC4	MBART 0.55% MAT	Interest	07/15/2020	MERCEDES -BENZ			1,680.56	1,680.56
40515	COMM	58769VAC4	MBART 0.55% MAT	Redemption	07/15/2020	MERCEDES -BENZ		87,411.38		87,411.38
8506	COMM	SYS8506	LAIF 1.65%	Interest	07/15/2020	LOCAL AGENCY			156,036.73	156,036.73
		Totals for 07/15/2020					182,170,443.87	31,058,198.85	1,805,378.39	-149,306,866.63
40532	COMM	91412HGE7	UNIVERSITY CALIF	Purchase	07/16/2020	UNIVERSITY	5,000,000.00			-5,000,000.00
39495	COMM	4581X0DF2	IADB 2.625% MAT	Interest	07/16/2020	IADB			223,125.00	223,125.00
40257	COMM	78012USR7	RBCNY 1.79963%	Interest	07/16/2020	Royal Bank of			13,547.10	13,547.10
		Totals for 07/16/2020					5,000,000.00		236,672.10	-4,763,327.90
40461	COMM	SYS40461	DGCXX 0.%	Purchase	07/17/2020	Dreyfus Government	100,000,000.00			-100,000,000.00
40004	COMM	13606B7L4	CIBCNY 1.83% MAT	Redemption	07/17/2020	Canadian IMP BK		75,000,000.00		75,000,000.00
40400	COMM	93114EGH4	WMTPP DISC NOTE	Redemption	07/17/2020	WALMART STORES		50,000,000.00		50,000,000.00
40443	COMM	63763PGH6	NSCCPP DISC NOTE	Redemption	07/17/2020	NATL SEC		50,000,000.00		50,000,000.00
40470	COMM	3134GVLJ5	FHLMC 1.15% MAT	Redemption	07/17/2020	FHLMC NOTES		25,000,000.00		25,000,000.00
40518	COMM	63763PGH6	NSCCPP DISC NOTE	Redemption	07/17/2020	NATL SEC		25,000,000.00		25,000,000.00
40004	COMM	13606B7L4	CIBCNY 1.83% MAT	Interest	07/17/2020	Canadian IMP BK			987,437.50	987,437.50
40470	COMM	3134GVLJ5	FHLMC 1.15% MAT	Interest	07/17/2020	FHLMC NOTES			71,875.00	71,875.00
		Totals for 07/17/2020					100,000,000.00	225,000,000.00	1,059,312.50	126,059,312.50
39165	COMM	3133EJ5V7	FEDERAL FARM CR	Interest	07/20/2020	FFCB NOTES			195,234.38	195,234.38
39173	COMM	3133EJ5P0	FEDERAL FARM CR	Interest	07/20/2020	FFCB NOTES			130,000.00	130,000.00
39693	COMM	3133EKVD5	FEDERAL FARM CR	Interest	07/20/2020	FFCB NOTES			105,468.75	105,468.75
39698	COMM	3134GTH55	FEDERAL HOME LN	Interest	07/20/2020	FHLMC NOTES			275,000.00	275,000.00
39701	COMM	3133EKVC7	FEDERAL FARM CR	Interest	07/20/2020	FFCB NOTES			140,625.00	140,625.00
40472	COMM	3135G03K7	FEDERAL NATL MTG	Interest	07/20/2020	FNMA NOTES			102,750.00	102,750.00
40473	COMM	3135G03M3	FEDERAL NATL MTG	Interest	07/20/2020	FNMA NOTES			53,902.78	53,902.78
38738	COMM	43814UAG4	HAROT 3.01% MAT	Interest	07/20/2020	HONDA AUTO			22,557.24	22,557.24
38738	COMM	43814UAG4	HAROT 3.01% MAT	Redemption	07/20/2020	HONDA AUTO		829,766.04		829,766.04
39269	COMM	43814WAC9	HAROT 2.83% MAT	Interest	07/20/2020	HONDA AUTO			32,427.08	32,427.08
39269	COMM	43814WAC9	HAROT 2.83% MAT	Redemption	07/20/2020	HONDA AUTO		427,339.40		427,339.40
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Interest	07/20/2020	BMW VEHICLE			18,250.00	18,250.00
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Redemption	07/20/2020	BMW VEHICLE		288,619.15		288,619.15

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39612	COMM	92349GAA9	VERIZON OWNER	Interest	07/20/2020	VERIZON OWNER			67,958.35	67,958.35
39612	COMM	92349GAA9	VERIZON OWNER	Redemption	07/20/2020	VERIZON OWNER		869,726.35		869,726.35
39913	COMM	92867XAD8	VWALT 1.99% MAT	Interest	07/20/2020	Volkswagen Auto			17,412.50	17,412.50
39913	COMM	92867XAD8	VWALT 1.99% MAT	Redemption	07/20/2020	Volkswagen Auto		357,015.06		357,015.06
39920	COMM	92348AAA3	VZOT 1.94% MAT	Interest	07/20/2020	VERIZON OWNER			38,800.01	38,800.01
39920	COMM	92348AAA3	VZOT 1.94% MAT	Redemption	07/20/2020	VERIZON OWNER		538,499.13		538,499.13
40341	COMM	36259KAD9	GMALT 1.67% MAT	Interest	07/20/2020	GM Fin'cl Auto Leasi			6,958.34	6,958.34
40341	COMM	36259KAD9	GMALT 1.67% MAT	Redemption	07/20/2020	GM Fin'cl Auto Leasi		167,361.73		167,361.73
40416	COMM	92868LAD3	VALET 3.02% MAT	Interest	07/20/2020	VOLKSWAGEN			50,333.34	50,333.34
40416	COMM	92868LAD3	VALET 3.02% MAT	Redemption	07/20/2020	VOLKSWAGEN		1,234,227.08		1,234,227.08
40512	COMM	36259PAD8	GMALT 0.8% MAT	Interest	07/20/2020	GM Fin'cl Auto Leasi			1,100.00	1,100.00
40512	COMM	36259PAD8	GMALT 0.8% MAT	Redemption	07/20/2020	GM Fin'cl Auto Leasi		40,294.43		40,294.43
		Totals for 07/20/2020						4,752,848.37	1,258,777.77	6,011,626.14
40267	COMM	3133ELHR8	FFCB 1.6% MAT	Interest	07/21/2020	FFCB NOTES			200,000.00	200,000.00
40268	COMM	90331HPL1	USB 2.05% MAT	Interest	07/21/2020	U S BANK			205,000.00	205,000.00
40475	COMM	3134GVMA3	FEDERAL HOME LN	Interest	07/21/2020	FHLMC NOTES			47,233.33	47,233.33
40476	COMM	3134GVMA3	FEDERAL HOME LN	Interest	07/21/2020	FHLMC NOTES			47,233.33	47,233.33
37615	COMM	43814TAC6	HAROT 1.72% MAT	Interest	07/21/2020	HONDA AUTO			1,812.36	1,812.36
37615	COMM	43814TAC6	HAROT 1.72% MAT	Redemption	07/21/2020	HONDA AUTO		488,809.45		488,809.45
39582	COMM	43815MAC0	HAROT 2.52% MAT	Interest	07/21/2020	HONDA AUTO			35,700.00	35,700.00
39582	COMM	43815MAC0	HAROT 2.52% MAT	Redemption	07/21/2020	HONDA AUTO		494,183.36		494,183.36
40346	COMM	43813RAC1	HAROT 1.61% MAT	Interest	07/21/2020	HONDA AUTO			22,137.51	22,137.51
40346	COMM	43813RAC1	HAROT 1.61% MAT	Redemption	07/21/2020	HONDA AUTO		361,432.50		361,432.50
		Totals for 07/21/2020						1,344,425.31	559,116.53	1,903,541.84
40535	COMM	3133EJVC0	FEDERAL FARM CR	Purchase	07/22/2020	FFCB NOTES	16,770,541.67			-16,770,541.67
40534	COMM	3136G4A45	FEDERAL NATL MTG	Purchase	07/22/2020	FNMA NOTES	20,000,000.00			-20,000,000.00
40533	COMM	47787NAC3	JDOT 0.51% MAT	Purchase	07/22/2020	JOHN DEERE	4,499,314.20			-4,499,314.20
38896	COMM	3130AFB63	FEDERAL HOME	Interest	07/22/2020	FHLB NOTES			221,250.00	221,250.00
38901	COMM	3130AFB63	FEDERAL HOME	Interest	07/22/2020	FHLB NOTES			73,750.00	73,750.00
38920	COMM	3130AFB63	FEDERAL HOME	Interest	07/22/2020	FHLB NOTES			368,750.00	368,750.00
38922	COMM	3130AFB63	FEDERAL HOME	Interest	07/22/2020	FHLB NOTES			73,750.00	73,750.00
40232	COMM	3134GUX88	FHLMC 1.75% MAT	Interest	07/22/2020	FHLMC NOTES			186,666.60	186,666.60
		Totals for 07/22/2020					41,269,855.87		924,166.60	-40,345,689.27
40536	COMM	22535CRJ2	CRA 0.23% MAT	Purchase	07/23/2020	CREDIT AGRICOLE	50,000,000.00			-50,000,000.00
40537	COMM	21687AGQ0	RABO DISC NOTE	Purchase	07/23/2020	RABOBANK	23,123,948.61			-23,123,948.61
37841	COMM	3133EHKH5	FEDERAL FARM CR	Redemption	07/23/2020	FFCB NOTES		12,000,000.00		12,000,000.00
37841	COMM	3133EHKH5	FEDERAL FARM CR	Interest	07/23/2020	FFCB NOTES			94,200.00	94,200.00
40161	COMM	459058GH0	IBRD 2.75% MAT	Interest	07/23/2020	INTL BANK RECON &			550,000.00	550,000.00

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		Totals for 07/23/2020					73,123,948.61	12,000,000.00	644,200.00	-60,479,748.61
37641	COMM	3130AB3T1	FEDERAL HOME	Redemption	07/24/2020	FHLB NOTES		20,000,000.00		20,000,000.00
39473	COMM	3134GTFW8	FEDERAL HOME LN	Redemption	07/24/2020	FHLMC NOTES		25,000,000.00		25,000,000.00
39994	COMM	55379W5A0	MUFG 1.92% MAT	Redemption	07/24/2020	MUFG Mitsubishi		50,000,000.00		50,000,000.00
40075	COMM	22535CJM4	CREDIT AGRICOLE	Redemption	07/24/2020	Credit Agricole CIB		50,000,000.00		50,000,000.00
40116	COMM	59157TGQ0	METSHR ZERO CPN	Redemption	07/24/2020	METLIFE SHORT		45,000,000.00		45,000,000.00
40133	COMM	78012USE6	RBCNY 1.82% MAT	Redemption	07/24/2020	Royal Bank of		25,000,000.00		25,000,000.00
40537	COMM	21687AGQ0	RABO DISC NOTE	Redemption	07/24/2020	RABOBANK		23,124,000.00		23,124,000.00
37641	COMM	3130AB3T1	FEDERAL HOME	Interest	07/24/2020	FHLB NOTES			87,500.00	87,500.00
39473	COMM	3134GTFW8	FEDERAL HOME LN	Interest	07/24/2020	FHLMC NOTES			320,000.00	320,000.00
39994	COMM	55379W5A0	MUFG 1.92% MAT	Interest	07/24/2020	MUFG Mitsubishi			714,666.67	714,666.67
40075	COMM	22535CJM4	CREDIT AGRICOLE	Interest	07/24/2020	Credit Agricole CIB			611,722.22	611,722.22
40133	COMM	78012USE6	RBCNY 1.82% MAT	Interest	07/24/2020	Royal Bank of			285,638.89	285,638.89
40281	COMM	3133ELJN5	FEDERAL FARM CR	Interest	07/24/2020	FFCB NOTES			164,000.00	164,000.00
40535	COMM	3133EJVC0	FEDERAL FARM CR	Interest	07/24/2020	FFCB NOTES			221,250.00	221,250.00
40535	COMM	3133EJVC0	FEDERAL FARM CR	Accr Int	07/24/2020	FFCB NOTES		218,791.67	-218,791.67	0.00
		Totals for 07/24/2020						238,342,791.67	2,185,986.11	240,528,777.78
40538	COMM	89114NPV1	TDNY 0.22% MAT	Purchase	07/27/2020	TORONTO	25,000,000.00			-25,000,000.00
34292	COMM	SYS34292	MSTI 0.%	Purchase	07/27/2020	MORGAN STANLEY	250,000,000.00			-250,000,000.00
37378	COMM	3133EG5D3	FEDERAL FARM CR	Interest	07/27/2020	FFCB NOTES			50,750.00	50,750.00
37669	COMM	3134GBGZ9	FEDERAL HOME LN	Interest	07/27/2020	FHLMC NOTES			150,000.00	150,000.00
37741	COMM	3134GBJJ2	FEDERAL HOME LN	Interest	07/27/2020	FHLMC NOTES			87,500.00	87,500.00
37742	COMM	3134GBJJ2	FEDERAL HOME LN	Interest	07/27/2020	FHLMC NOTES			218,750.00	218,750.00
37988	COMM	3134GBYF3	FEDERAL HOME LN	Interest	07/27/2020	FHLMC NOTES			51,750.00	51,750.00
40484	COMM	3133ELXM1	FEDERAL FARM CR	Interest	07/27/2020	FFCB NOTES			18,750.00	18,750.00
38387	COMM	3137AYCE9		Interest	07/27/2020	FHLMC Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9		Redemption	07/27/2020	FHLMC Multi-Family		773,766.58		773,766.58
38391	COMM	3137AYCE9		Interest	07/27/2020	FHLMC Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9		Redemption	07/27/2020	FHLMC Multi-Family		290,016.71		290,016.71
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Interest	07/27/2020	BMW VEHICLE			28,286.59	28,286.59
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Redemption	07/27/2020	BMW VEHICLE		1,963,713.89		1,963,713.89
38465	COMM	3137AWQH1	FHLMCM 2.307%	Interest	07/27/2020	FHLMC Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	Redemption	07/27/2020	FHLMC Multi-Family		224,302.78		224,302.78
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Interest	07/27/2020	FNMA Multi-Family			7,303.94	7,303.94
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Redemption	07/27/2020	FNMA Multi-Family		6,261.15		6,261.15
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Interest	07/27/2020	FHLMC Multi-Family			55,273.74	55,273.74
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Redemption	07/27/2020	FHLMC Multi-Family		691,263.92		691,263.92
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	07/27/2020	FNMA Multi-Family			7,662.50	7,662.50
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	07/27/2020	FNMA Multi-Family		178,840.04		178,840.04

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	07/27/2020	FNMA Multi-Family			7,662.50	7,662.50
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	07/27/2020	FNMA Multi-Family		178,840.04		178,840.04
38666	COMM	3137AYCE9		Interest	07/27/2020	FHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9		Redemption	07/27/2020	FHLMC Multi-Family		445,923.98		445,923.98
38744	COMM	3137AYCE9		Interest	07/27/2020	FHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9		Redemption	07/27/2020	FHLMC Multi-Family		759,612.57		759,612.57
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Interest	07/27/2020	FHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Redemption	07/27/2020	FHLMC Multi-Family		143,567.53		143,567.53
38864	COMM	3137B5JM6	FHLMCM 3.531%	Interest	07/27/2020	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	Redemption	07/27/2020	FHLMC Multi-Family		303,323.07		303,323.07
38945	COMM	3137B3NA2	FHLMC REMIC	Interest	07/27/2020	FHLMC Multi-Family			28,723.99	28,723.99
38945	COMM	3137B3NA2	FHLMC REMIC	Redemption	07/27/2020	FHLMC Multi-Family		342,354.88		342,354.88
39026	COMM	3137B5KW2	FHLMCM 3.458%	Interest	07/27/2020	FHLMC Multi-Family			28,816.67	28,816.67
39026	COMM	3137B5KW2	FHLMCM 3.458%	Redemption	07/27/2020	FHLMC Multi-Family		295,522.31		295,522.31
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Interest	07/27/2020	FNMA Multi-Family			66,555.83	66,555.83
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Redemption	07/27/2020	FNMA Multi-Family		67,021.43		67,021.43
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Interest	07/27/2020	FNMA Multi-Family			45,193.60	45,193.60
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Redemption	07/27/2020	FNMA Multi-Family		29,339.48		29,339.48
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	07/27/2020	FNMA Multi-Family			37,030.44	37,030.44
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	07/27/2020	FNMA Multi-Family		22,172.80		22,172.80
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	07/27/2020	FNMA Multi-Family			6,181.24	6,181.24
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	07/27/2020	FNMA Multi-Family		3,701.15		3,701.15
39295	COMM	3137B04Y7	FHLMCM 2.615%	Interest	07/27/2020	FHLMC Multi-Family			58,837.51	58,837.51
39295	COMM	3137B04Y7	FHLMCM 2.615%	Redemption	07/27/2020	FHLMC Multi-Family		941,646.79		941,646.79
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Interest	07/27/2020	FNMA Multi-Family			51,458.33	51,458.33
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Redemption	07/27/2020	FNMA Multi-Family		671,694.12		671,694.12
39457	COMM	3138EKX67	FNMAM 2.537% MAT	Interest	07/27/2020	FNMA Multi-Family			22,113.02	22,113.02
39457	COMM	3138EKX67	FNMAM 2.537% MAT	Redemption	07/27/2020	FNMA Multi-Family		24,337.83		24,337.83
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Interest	07/27/2020	FNMA Multi-Family			30,444.56	30,444.56
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Redemption	07/27/2020	FNMA Multi-Family		32,656.94		32,656.94
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Interest	07/27/2020	FNMA Multi-Family			8,958.33	8,958.33
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Redemption	07/27/2020	FNMA Multi-Family		136,468.79		136,468.79
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Interest	07/27/2020	FNMA Multi-Family			12,897.27	12,897.27
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Redemption	07/27/2020	FNMA Multi-Family		13,770.00		13,770.00
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Interest	07/27/2020	FHLMC Multi-Family			41,514.46	41,514.46
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Redemption	07/27/2020	FHLMC Multi-Family		267,900.48		267,900.48
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Interest	07/27/2020	FNMA Multi-Family			10,791.67	10,791.67
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Redemption	07/27/2020	FNMA Multi-Family		208,351.11		208,351.11
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Interest	07/27/2020	FNMA Multi-Family			11,716.82	11,716.82
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Redemption	07/27/2020	FNMA Multi-Family		12,523.98		12,523.98

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Interest	07/27/2020	FNMA Multi-Family			15,473.73	15,473.73
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Redemption	07/27/2020	FNMA Multi-Family		21,742.66		21,742.66
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Interest	07/27/2020	BMW VEHICLE			27,600.00	27,600.00
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Redemption	07/27/2020	BMW VEHICLE		416,150.35		416,150.35
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Interest	07/27/2020	FNMA Multi-Family			16,088.89	16,088.89
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Redemption	07/27/2020	FNMA Multi-Family		18,564.47		18,564.47
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Interest	07/27/2020	FNMA Multi-Family			13,075.31	13,075.31
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Redemption	07/27/2020	FNMA Multi-Family		13,934.55		13,934.55
40385	COMM	3137BUWM6	FHLMCM 2.932%	Interest	07/27/2020	FHLMC Multi-Family			36,026.48	36,026.48
40385	COMM	3137BUWM6	FHLMCM 2.932%	Redemption	07/27/2020	FHLMC Multi-Family		23,121.50		23,121.50
40390	COMM	3137BHCY1	FHLMCM 2.811%	Interest	07/27/2020	FHLMC Multi-Family			24,807.08	24,807.08
40390	COMM	3137BHCY1	FHLMCM 2.811%	Redemption	07/27/2020	FHLMC Multi-Family		246,901.41		246,901.41
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Interest	07/27/2020	FNMA Multi-Family			35,793.42	35,793.42
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Redemption	07/27/2020	FNMA Multi-Family		431,622.85		431,622.85
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Interest	07/27/2020	FNMA Multi-Family			-19,766.41	-19,766.41
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Redemption	07/27/2020	FNMA Multi-Family				0.00
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Interest	07/27/2020	FNMA Multi-Family			1,592.01	1,592.01
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Redemption	07/27/2020	FNMA Multi-Family		2,236.98		2,236.98
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Interest	07/27/2020	FNMA Multi-Family			-1,220.54	-1,220.54
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Redemption	07/27/2020	FNMA Multi-Family				0.00
		Totals for 07/27/2020					275,000,000.00	10,203,169.12	1,479,134.36	-263,317,696.52
40539	COMM	3137BKGH7	FHLMCM 2.712%	Purchase	07/28/2020	FHLMC Multi-Family	5,853,104.11			-5,853,104.11
		Totals for 07/28/2020					5,853,104.11			-5,853,104.11
36288	COMM	3130A5Z77	FEDERAL HOME	Redemption	07/29/2020	FHLB NOTES		5,000,000.00		5,000,000.00
36289	COMM	3130A5Z77	FEDERAL HOME	Redemption	07/29/2020	FHLB NOTES		5,000,000.00		5,000,000.00
36298	COMM	3130A5Z77	FEDERAL HOME	Redemption	07/29/2020	FHLB NOTES		5,000,000.00		5,000,000.00
36308	COMM	3130A5Z77	FEDERAL HOME	Redemption	07/29/2020	FHLB NOTES		10,000,000.00		10,000,000.00
36310	COMM	3130A5Z77	FEDERAL HOME	Redemption	07/29/2020	FHLB NOTES		5,000,000.00		5,000,000.00
36288	COMM	3130A5Z77	FEDERAL HOME	Interest	07/29/2020	FHLB NOTES			45,750.00	45,750.00
36289	COMM	3130A5Z77	FEDERAL HOME	Interest	07/29/2020	FHLB NOTES			45,750.00	45,750.00
36298	COMM	3130A5Z77	FEDERAL HOME	Interest	07/29/2020	FHLB NOTES			45,750.00	45,750.00
36308	COMM	3130A5Z77	FEDERAL HOME	Interest	07/29/2020	FHLB NOTES			91,500.00	91,500.00
36310	COMM	3130A5Z77	FEDERAL HOME	Interest	07/29/2020	FHLB NOTES			45,750.00	45,750.00
40487	COMM	3134GVNG9	FEDERAL HOME LN	Interest	07/29/2020	FHLMC NOTES			56,250.00	56,250.00
		Totals for 07/29/2020						30,000,000.00	330,750.00	30,330,750.00
40540	COMM	3137FUZN7	FHLMCM 0.526%	Purchase	07/30/2020	FHLMC Multi-Family	4,001,618.89			-4,001,618.89
37382	COMM	3130AANA2	FEDERAL HOME	Redemption	07/30/2020	FHLB NOTES		25,000,000.00		25,000,000.00
37383	COMM	3130AANA2	FEDERAL HOME	Redemption	07/30/2020	FHLB NOTES		5,000,000.00		5,000,000.00
38209	COMM	3135G0T60	FEDERAL NATL MTG	Redemption	07/30/2020	FNMA NOTES		10,000,000.00		10,000,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39984	COMM	06417MEF8	BNSHOU 1.88% MAT	Redemption	07/30/2020	BANK OF NOVA		50,000,000.00		50,000,000.00
37382	COMM	3130AANA2	FEDERAL HOME	Interest	07/30/2020	FHLB NOTES			218,750.00	218,750.00
37383	COMM	3130AANA2	FEDERAL HOME	Interest	07/30/2020	FHLB NOTES			43,750.00	43,750.00
38209	COMM	3135G0T60	FEDERAL NATL MTG	Interest	07/30/2020	FNMA NOTES			75,000.00	75,000.00
39984	COMM	06417MEF8	BNSHOU 1.88% MAT	Interest	07/30/2020	BANK OF NOVA			718,055.56	718,055.56
		Totals for 07/30/2020					4,001,618.89	90,000,000.00	1,055,555.56	87,053,936.67
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Purchase	07/31/2020	FNMA Multi-Family	21,609,802.42			-21,609,802.42
39102	COMM	912828Y46	UNITED STATES	Redemption	07/31/2020	U.S. TREASURY		15,000,000.00		15,000,000.00
39990	COMM	22549LC37	CRSNY 1.91% MAT	Redemption	07/31/2020	Credit Suisse NY		50,000,000.00		50,000,000.00
40037	COMM	09702LGX7	BOEING ZERO CPN	Redemption	07/31/2020	Boeing Company		50,000,000.00		50,000,000.00
40084	COMM	912828XM7	UNITED STATES	Redemption	07/31/2020	U.S. TREASURY		40,000,000.00		40,000,000.00
40118	COMM	06367BBX6	BMOCHI 1.8% MAT	Redemption	07/31/2020	BANK OF		50,000,000.00		50,000,000.00
40122	COMM	78012USC0	RBCNY 1.82% MAT	Redemption	07/31/2020	Royal Bank of		50,000,000.00		50,000,000.00
40225	COMM	21684XDR4	RABO 1.78% MAT	Redemption	07/31/2020	RABOBANK		50,000,000.00		50,000,000.00
40244	COMM	46640PGX5	JPMSCC ZERO CPN	Redemption	07/31/2020	JP Morgan Securities		50,000,000.00		50,000,000.00
40413	COMM	19121AGX3	KOPP DISC NOTE	Redemption	07/31/2020	Coca-Cola Co		40,000,000.00		40,000,000.00
40441	COMM	06417MJA4	BNSHOU 1.15% MAT	Redemption	07/31/2020	BANK OF NOVA		45,000,000.00		45,000,000.00
39102	COMM	912828Y46	UNITED STATES	Interest	07/31/2020	U.S. TREASURY			196,875.00	196,875.00
39990	COMM	22549LC37	CRSNY 1.91% MAT	Interest	07/31/2020	Credit Suisse NY			729,513.89	729,513.89
40084	COMM	912828XM7	UNITED STATES	Interest	07/31/2020	U.S. TREASURY			325,000.00	325,000.00
40099	COMM	9128287F1	UNITED STATES	Interest	07/31/2020	U.S. TREASURY			350,000.00	350,000.00
40115	COMM	912828WY2	UNITED STATES	Interest	07/31/2020	U.S. TREASURY			450,000.00	450,000.00
40118	COMM	06367BBX6	BMOCHI 1.8% MAT	Interest	07/31/2020	BANK OF			587,500.00	587,500.00
40122	COMM	78012USC0	RBCNY 1.82% MAT	Interest	07/31/2020	Royal Bank of			591,500.00	591,500.00
40210	COMM	9128282P4	UNITED STATES	Interest	07/31/2020	U.S. TREASURY			375,000.00	375,000.00
40225	COMM	21684XDR4	RABO 1.78% MAT	Interest	07/31/2020	RABOBANK			506,805.56	506,805.56
40441	COMM	06417MJA4	BNSHOU 1.15% MAT	Interest	07/31/2020	BANK OF NOVA			165,312.50	165,312.50
		Totals for 07/31/2020					21,609,802.42	440,000,000.00	4,277,506.95	422,667,704.53
40542	COMM	46640PP56	JPMSCC ZERO CPN	Purchase	08/03/2020	JP Morgan Securities	49,938,000.00			-49,938,000.00
40127	COMM	17305TN65	CITINA 1.83% MAT	Redemption	08/03/2020	CITI BANK NA		45,000,000.00		45,000,000.00
39726	COMM	3134GTS20	FHLMC 2.07% MAT	Interest	08/03/2020	FHLMC NOTES			207,000.00	207,000.00
39727	COMM	3134GTS20	FHLMC 2.07% MAT	Interest	08/03/2020	FHLMC NOTES			51,750.00	51,750.00
40127	COMM	17305TN65	CITINA 1.83% MAT	Interest	08/03/2020	CITI BANK NA			542,137.50	542,137.50
		Totals for 08/03/2020					49,938,000.00	45,000,000.00	800,887.50	-4,137,112.50
40543	COMM	3136G4B77	FEDERAL NATL MTG	Purchase	08/04/2020	FNMA NOTES	20,000,000.00			-20,000,000.00
40440	COMM	43851TH41	H DISC NOTE MAT	Redemption	08/04/2020	HONEYWELL		50,000,000.00		50,000,000.00
39207	COMM	90331HPA5	UBS F 3.% MAT	Interest	08/04/2020	U S BANK			45,000.00	45,000.00
34292	COMM	SYS34292	MSTI 0.%	Interest	08/04/2020	MORGAN STANLEY			1,162.79	1,162.79
34292	COMM	SYS34292	MSTI 0.%	Purchase	08/04/2020	MORGAN STANLEY	1,162.79			-1,162.79

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
37590	COMM	SYS37590	JPM TE 0.44%	Interest	08/04/2020	JP MORGAN US			3,095.31	3,095.31
37590	COMM	SYS37590	JPM TE 0.44%	Purchase	08/04/2020	JP MORGAN US	3,095.31			-3,095.31
40461	COMM	SYS40461	DGCXX 0.%	Interest	08/04/2020	Dreyfus Government			23,495.52	23,495.52
40461	COMM	SYS40461	DGCXX 0.%	Purchase	08/04/2020	Dreyfus Government	23,495.52			-23,495.52
		Totals for 08/04/2020					20,027,753.62	50,000,000.00	72,753.62	30,045,000.00
39728	COMM	3134GTS61	FEDERAL HOME LN	Interest	08/05/2020	FHLMC NOTES			210,000.00	210,000.00
		Totals for 08/05/2020							210,000.00	210,000.00
40544	COMM	06367BQC6	BANK MONTREAL	Purchase	08/06/2020	BANK OF	50,000,000.00			-50,000,000.00
40495	COMM	3133ELYJ7	FEDERAL FARM CR	Redemption	08/06/2020	FFCB NOTES		15,000,000.00		15,000,000.00
39355	COMM	594918BW3	MICROSOFT CORP,	Interest	08/06/2020	MICROSOFT CORP			240,000.00	240,000.00
39361	COMM	594918BW3	MICROSOFT CORP,	Interest	08/06/2020	MICROSOFT CORP			240,000.00	240,000.00
39489	COMM	594918BX1	MICROSOFT CORP,	Interest	08/06/2020	MICROSOFT CORP			93,437.50	93,437.50
40495	COMM	3133ELYJ7	FEDERAL FARM CR	Interest	08/06/2020	FFCB NOTES			27,750.00	27,750.00
		Totals for 08/06/2020					50,000,000.00	15,000,000.00	601,187.50	-34,398,812.50
40545	COMM	02314PK67	AMZN DISC NOTE	Purchase	08/07/2020	Amazon	49,992,500.00			-49,992,500.00
40316	COMM	89116EH71	TDHUSA DISC NOTE	Redemption	08/07/2020	TORONTO		50,000,000.00		50,000,000.00
40430	COMM	16677JH74	CVX DISC NOTE	Redemption	08/07/2020	CHEVRON CORP.		30,000,000.00		30,000,000.00
40463	COMM	02314PH79	AMZN DISC NOTE	Redemption	08/07/2020	Amazon		50,000,000.00		50,000,000.00
40464	COMM	02314PH79	AMZN DISC NOTE	Redemption	08/07/2020	Amazon		50,000,000.00		50,000,000.00
		Totals for 08/07/2020					49,992,500.00	180,000,000.00		130,007,500.00
40546	COMM	3135G05P4	FEDERAL NATL MTG	Purchase	08/10/2020	FNMA NOTES	24,992,708.33			-24,992,708.33
40256	COMM	06052TH94	BAC 1.77% MAT	Redemption	08/10/2020	BANK OF AMERICA		40,000,000.00		40,000,000.00
40363	COMM	71708EHA6	PFIZER DISC NOTE	Redemption	08/10/2020	PFIZER		50,000,000.00		50,000,000.00
40005	COMM	594918BQ6	MICROSOFT CORP,	Interest	08/10/2020	MICROSOFT CORP			108,150.00	108,150.00
40256	COMM	06052TH94	BAC 1.77% MAT	Interest	08/10/2020	BANK OF AMERICA			407,100.00	407,100.00
40330	COMM	3133ELMD3	FEDERAL FARM CR	Interest	08/10/2020	FFCB NOTES			128,000.00	128,000.00
40330	COMM	3133ELMD3	FEDERAL FARM CR	Accr Int	08/10/2020	FFCB NOTES		2,844.44	-2,844.44	0.00
40407	COMM	06417MHH1	BANK NOVA SCOTIA	Interest	08/10/2020	BANK OF NOVA			13,590.09	13,590.09
		Totals for 08/10/2020					24,992,708.33	90,002,844.44	653,995.65	65,664,131.76
40547	COMM	31422BM64	FAMCA 0.2% MAT	Purchase	08/11/2020	FARMER MAC	25,000,000.00			-25,000,000.00
39496	COMM	084670BJ6	BERKSHIRE	Interest	08/11/2020	BERKSHIRE			157,500.00	157,500.00
		Totals for 08/11/2020					25,000,000.00		157,500.00	-24,842,500.00
40548	COMM	166756AE6	CVX 0.687% MAT	Purchase	08/12/2020	CHEVRON CORP.	15,000,000.00			-15,000,000.00
40549	COMM	92290BAA9	VERIZON OWNER	Purchase	08/12/2020	VERIZON OWNER	29,243,857.50			-29,243,857.50
36989	COMM	3137EAEC9	FEDERAL HOME LN	Interest	08/12/2020	FHLMC NOTES			112,500.00	112,500.00
36992	COMM	3137EAEC9	FEDERAL HOME LN	Interest	08/12/2020	FHLMC NOTES			56,250.00	56,250.00
40323	COMM	3133ELMJ0	FEDERAL FARM CR	Interest	08/12/2020	FFCB NOTES			185,900.00	185,900.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40331	COMM	3137EAEP0	FEDERAL HOME LN	Interest	08/12/2020	FHLMC NOTES			185,416.75	185,416.75
		Totals for 08/12/2020					44,243,857.50		540,066.75	-43,703,790.75
39768	COMM	3133EKZN9	FEDERAL FARM CR	Redemption	08/13/2020	FFCB NOTES		15,000,000.00		15,000,000.00
39768	COMM	3133EKZN9	FEDERAL FARM CR	Interest	08/13/2020	FFCB NOTES			154,500.00	154,500.00
40326	COMM	89236TGT6	TOYOTA MOTOR	Interest	08/13/2020	TOYOTA MOTOR			270,000.00	270,000.00
		Totals for 08/13/2020						15,000,000.00	424,500.00	15,424,500.00
39739	COMM	3133EKZM1	FEDERAL FARM CR	Redemption	08/14/2020	FFCB NOTES		24,000,000.00		24,000,000.00
40439	COMM	22549LZ24	CRSNY 1.25% MAT	Redemption	08/14/2020	Credit Suisse NY		50,000,000.00		50,000,000.00
39739	COMM	3133EKZM1	FEDERAL FARM CR	Interest	08/14/2020	FFCB NOTES			238,800.00	238,800.00
40439	COMM	22549LZ24	CRSNY 1.25% MAT	Interest	08/14/2020	Credit Suisse NY			223,958.34	223,958.34
		Totals for 08/14/2020						74,000,000.00	462,758.34	74,462,758.34
38462	COMM	3137EAEL9	FEDERAL HOME LN	Interest	08/17/2020	FHLMC NOTES			534,375.00	534,375.00
39747	COMM	30231GBB7	EXXON MOBIL	Interest	08/17/2020	EXXON MOBIL			47,550.00	47,550.00
39751	COMM	3133EKZV1	FEDERAL FARM CR	Interest	08/17/2020	FFCB NOTES			155,000.00	155,000.00
40257	COMM	78012USR7	RBCNY 1.79963%	Interest	08/17/2020	Royal Bank of			13,628.00	13,628.00
37976	COMM	43811BAC8	HAROT 1.68% MAT	Interest	08/17/2020	HONDA AUTO			5,181.29	5,181.29
37976	COMM	43811BAC8	HAROT 1.68% MAT	Redemption	08/17/2020	HONDA AUTO		1,010,135.73		1,010,135.73
38137	COMM	89238KAD4	TAOT 1.93% MAT	Interest	08/17/2020	TOYOTA AUTO REC			14,386.39	14,386.39
38137	COMM	89238KAD4	TAOT 1.93% MAT	Redemption	08/17/2020	TOYOTA AUTO REC		1,350,200.93		1,350,200.93
38475	COMM	65478DAD9	NALT 2.65% MAT	Interest	08/17/2020	NISSAN AUTO			21,214.26	21,214.26
38475	COMM	65478DAD9	NALT 2.65% MAT	Redemption	08/17/2020	NISSAN AUTO		1,180,089.62		1,180,089.62
38476	COMM	47788CAC6	JDOT 2.66% MAT	Interest	08/17/2020	JOHN DEERE			7,309.55	7,309.55
38476	COMM	47788CAC6	JDOT 2.66% MAT	Redemption	08/17/2020	JOHN DEERE		479,030.17		479,030.17
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Interest	08/17/2020	CHASE ISSUANCE			12,710.28	12,710.28
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Redemption	08/17/2020	CHASE ISSUANCE		1,248,410.15		1,248,410.15
38958	COMM	89231PAD0	TAOT 3.18% MAT	Interest	08/17/2020	TOYOTA AUTO REC			26,500.00	26,500.00
38958	COMM	89231PAD0	TAOT 3.18% MAT	Redemption	08/17/2020	TOYOTA AUTO REC		334,400.69		334,400.69
39013	COMM	43815AAC6	HAROT 3.16% MAT	Interest	08/17/2020	HONDA AUTO			57,274.99	57,274.99
39013	COMM	43815AAC6	HAROT 3.16% MAT	Redemption	08/17/2020	HONDA AUTO		1,002,087.34		1,002,087.34
39062	COMM	05522RCZ9	BACCT 3.% MAT	Interest	08/17/2020	BANK OF AMERICA			50,350.00	50,350.00
39062	COMM	05522RCZ9	BACCT 3.% MAT	Redemption	08/17/2020	BANK OF AMERICA		593,272.73		593,272.73
39082	COMM	05522RDA3	BACCT 3.1% MAT	Interest	08/17/2020	BANK OF AMERICA			38,750.00	38,750.00
39082	COMM	05522RDA3	BACCT 3.1% MAT	Redemption	08/17/2020	BANK OF AMERICA		404,697.29		404,697.29
39190	COMM	58772TAC4	MBALT 3.1% MAT	Interest	08/17/2020	MERCEDES-BENZ			23,927.92	23,927.92
39190	COMM	58772TAC4	MBALT 3.1% MAT	Redemption	08/17/2020	MERCEDES-BENZ		1,178,071.57		1,178,071.57
39220	COMM	05522RCY2	BACCT 2.7% MAT	Interest	08/17/2020	BANK OF AMERICA			56,250.00	56,250.00
39220	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	08/17/2020	BANK OF AMERICA		767,693.93		767,693.93
39320	COMM	05522RCY2	BACCT 2.7% MAT	Interest	08/17/2020	BANK OF AMERICA			45,000.00	45,000.00
39320	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	08/17/2020	BANK OF AMERICA		615,333.67		615,333.67

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39578	COMM	65479HAC1	NAROT 2.5% MAT	Interest	08/17/2020	Nissan Auto Receivab			41,666.66	41,666.66
39578	COMM	65479HAC1	NAROT 2.5% MAT	Redemption	08/17/2020	Nissan Auto Receivab		529,340.84		529,340.84
39586	COMM	14042WAC4	COPAR 2.51% MAT	Interest	08/17/2020	Capital One Prime Au			18,825.00	18,825.00
39586	COMM	14042WAC4	COPAR 2.51% MAT	Redemption	08/17/2020	Capital One Prime Au		238,173.55		238,173.55
39706	COMM	477870AC3	JDOT 2.21% MAT	Interest	08/17/2020	JOHN DEERE			16,114.59	16,114.59
39706	COMM	477870AC3	JDOT 2.21% MAT	Redemption	08/17/2020	JOHN DEERE		222,887.37		222,887.37
39777	COMM	43815NAC8	HAROT 1.78% MAT	Interest	08/17/2020	HONDA AUTO			10,754.16	10,754.16
39777	COMM	43815NAC8	HAROT 1.78% MAT	Redemption	08/17/2020	HONDA AUTO		205,037.80		205,037.80
39811	COMM	14041NFU0	COMET 1.72% MAT	Interest	08/17/2020	Capital One Multi Ex			50,166.66	50,166.66
39811	COMM	14041NFU0	COMET 1.72% MAT	Redemption	08/17/2020	Capital One Multi Ex		753,362.78		753,362.78
39883	COMM	58769TAD7	MBART 1.93% MAT	Interest	08/17/2020	MERCEDES -BENZ			43,650.01	43,650.01
39883	COMM	58769TAD7	MBART 1.93% MAT	Redemption	08/17/2020	MERCEDES -BENZ		641,493.28		641,493.28
40017	COMM	44891JAC2	HART 1.94% MAT	Interest	08/17/2020	HYUNDAI AUTO			18,995.84	18,995.84
40017	COMM	44891JAC2	HART 1.94% MAT	Redemption	08/17/2020	HYUNDAI AUTO		281,448.35		281,448.35
40038	COMM	89233MAD5	TAOT 1.92% MAT	Interest	08/17/2020	TOYOTA AUTO REC			31,200.00	31,200.00
40038	COMM	89233MAD5	TAOT 1.92% MAT	Redemption	08/17/2020	TOYOTA AUTO REC		478,011.75		478,011.75
40062	COMM	58769QAC5	MBALT 2.% MAT	Interest	08/17/2020	MERCEDES-BENZ			16,666.67	16,666.67
40062	COMM	58769QAC5	MBALT 2.% MAT	Redemption	08/17/2020	MERCEDES-BENZ		376,925.14		376,925.14
40134	COMM	02007TAC9	ALLY 1.84% MAT	Interest	08/17/2020	ALLY Auto			19,933.33	19,933.33
40134	COMM	02007TAC9	ALLY 1.84% MAT	Redemption	08/17/2020	ALLY Auto		280,415.79		280,415.79
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Interest	08/17/2020	Harley-Davidson Moto			15,583.33	15,583.33
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Redemption	08/17/2020	Harley-Davidson Moto		200,019.80		200,019.80
40336	COMM	161571HP2	CHAIT 1.53% MAT	Interest	08/17/2020	CHASE ISSUANCE			34,425.00	34,425.00
40336	COMM	161571HP2	CHAIT 1.53% MAT	Redemption	08/17/2020	CHASE ISSUANCE		509,850.39		509,850.39
40340	COMM	14043MAC5	COPAR 1.6% MAT	Interest	08/17/2020	Capital One Prime Au			33,333.33	33,333.33
40340	COMM	14043MAC5	COPAR 1.6% MAT	Redemption	08/17/2020	Capital One Prime Au		489,182.81		489,182.81
40392	COMM	58770FAC6	MBALT 1.84% MAT	Interest	08/17/2020	MERCEDES-BENZ			45,999.99	45,999.99
40392	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	08/17/2020	MERCEDES-BENZ		1,042,641.20		1,042,641.20
40410	COMM	58770FAC6	MBALT 1.84% MAT	Interest	08/17/2020	MERCEDES-BENZ			9,200.00	9,200.00
40410	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	08/17/2020	MERCEDES-BENZ		205,634.06		205,634.06
40411	COMM	254683CH6	DCENT 3.32% MAT	Interest	08/17/2020	Discover Card Execut			41,500.01	41,500.01
40411	COMM	254683CH6	DCENT 3.32% MAT	Redemption	08/17/2020	Discover Card Execut		376,711.10		376,711.10
40515	COMM	58769VAC4	MBART 0.55% MAT	Interest	08/17/2020	MERCEDES -BENZ			2,291.67	2,291.67
40515	COMM	58769VAC4	MBART 0.55% MAT	Redemption	08/17/2020	MERCEDES -BENZ		89,798.52		89,798.52
		Totals for 08/17/2020						17,084,358.35	1,559,713.93	18,644,072.28
40334	COMM	3134GVCZ9	FHLMC 1.7% MAT	Interest	08/18/2020	FHLMC NOTES			59,500.00	59,500.00
40335	COMM	3134GVCZ9	FHLMC 1.7% MAT	Interest	08/18/2020	FHLMC NOTES			42,500.00	42,500.00
38738	COMM	43814UAG4	HAROT 3.01% MAT	Interest	08/18/2020	HONDA AUTO			20,475.91	20,475.91
38738	COMM	43814UAG4	HAROT 3.01% MAT	Redemption	08/18/2020	HONDA AUTO		830,038.82		830,038.82
39269	COMM	43814WAC9	HAROT 2.83% MAT	Interest	08/18/2020	HONDA AUTO			32,427.08	32,427.08

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39269	COMM	43814WAC9	HAROT 2.83% MAT	Redemption	08/18/2020	HONDA AUTO		441,865.36		441,865.36
		Totals for 08/18/2020						1,271,904.18	154,902.99	1,426,807.17
40550	COMM	3136G4H63	FEDERAL NATL MTG	Purchase	08/19/2020	FNMA NOTES	11,500,000.00			-11,500,000.00
40551	COMM	3136G4H63	FEDERAL NATL MTG	Purchase	08/19/2020	FNMA NOTES	10,000,000.00			-10,000,000.00
40552	COMM	3136G4H63	FEDERAL NATL MTG	Purchase	08/19/2020	FNMA NOTES	15,000,000.00			-15,000,000.00
		Totals for 08/19/2020					36,500,000.00			-36,500,000.00
40553	COMM	037833DX5	AAPL 0.55% MAT	Purchase	08/20/2020	APPLE INC	29,929,200.00			-29,929,200.00
39756	COMM	3133EKC61	FEDERAL FARM CR	Redemption	08/20/2020	FFCB NOTES		5,000,000.00		5,000,000.00
39757	COMM	3133EKC61	FEDERAL FARM CR	Redemption	08/20/2020	FFCB NOTES		10,000,000.00		10,000,000.00
39758	COMM	3133EKC61	FEDERAL FARM CR	Redemption	08/20/2020	FFCB NOTES		5,000,000.00		5,000,000.00
39756	COMM	3133EKC61	FEDERAL FARM CR	Interest	08/20/2020	FFCB NOTES			52,500.00	52,500.00
39757	COMM	3133EKC61	FEDERAL FARM CR	Interest	08/20/2020	FFCB NOTES			105,000.00	105,000.00
39758	COMM	3133EKC61	FEDERAL FARM CR	Interest	08/20/2020	FFCB NOTES			52,500.00	52,500.00
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Interest	08/20/2020	BMW VEHICLE			18,250.00	18,250.00
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Redemption	08/20/2020	BMW VEHICLE		300,522.48		300,522.48
39612	COMM	92349GAA9	VERIZON OWNER	Interest	08/20/2020	VERIZON OWNER			67,958.35	67,958.35
39612	COMM	92349GAA9	VERIZON OWNER	Redemption	08/20/2020	VERIZON OWNER		895,847.61		895,847.61
39913	COMM	92867XAD8	VWALT 1.99% MAT	Interest	08/20/2020	Volkswagen Auto			17,412.50	17,412.50
39913	COMM	92867XAD8	VWALT 1.99% MAT	Redemption	08/20/2020	Volkswagen Auto		370,794.18		370,794.18
39920	COMM	92348AAA3	VZOT 1.94% MAT	Interest	08/20/2020	VERIZON OWNER			38,800.01	38,800.01
39920	COMM	92348AAA3	VZOT 1.94% MAT	Redemption	08/20/2020	VERIZON OWNER		554,062.41		554,062.41
40341	COMM	36259KAD9	GMALT 1.67% MAT	Interest	08/20/2020	GM Fin'cl Auto Leasi			6,958.34	6,958.34
40341	COMM	36259KAD9	GMALT 1.67% MAT	Redemption	08/20/2020	GM Fin'cl Auto Leasi		173,920.00		173,920.00
40416	COMM	92868LAD3	VALET 3.02% MAT	Interest	08/20/2020	VOLKSWAGEN			47,227.20	47,227.20
40416	COMM	92868LAD3	VALET 3.02% MAT	Redemption	08/20/2020	VOLKSWAGEN		1,476,452.76		1,476,452.76
40512	COMM	36259PAD8	GMALT 0.8% MAT	Interest	08/20/2020	GM Fin'cl Auto Leasi			1,000.00	1,000.00
40512	COMM	36259PAD8	GMALT 0.8% MAT	Redemption	08/20/2020	GM Fin'cl Auto Leasi		41,664.32		41,664.32
		Totals for 08/20/2020					29,929,200.00	23,813,263.76	407,606.40	-5,708,329.84
37615	COMM	43814TAC6	HAROT 1.72% MAT	Interest	08/21/2020	HONDA AUTO			1,111.74	1,111.74
37615	COMM	43814TAC6	HAROT 1.72% MAT	Redemption	08/21/2020	HONDA AUTO		478,302.28		478,302.28
39582	COMM	43815MAC0	HAROT 2.52% MAT	Interest	08/21/2020	HONDA AUTO			35,700.00	35,700.00
39582	COMM	43815MAC0	HAROT 2.52% MAT	Redemption	08/21/2020	HONDA AUTO		510,481.40		510,481.40
40346	COMM	43813RAC1	HAROT 1.61% MAT	Interest	08/21/2020	HONDA AUTO			22,137.51	22,137.51
40346	COMM	43813RAC1	HAROT 1.61% MAT	Redemption	08/21/2020	HONDA AUTO		372,115.71		372,115.71
		Totals for 08/21/2020						1,360,899.39	58,949.25	1,419,848.64
37817	COMM	3134GBPM8	FEDERAL HOME LN	Interest	08/24/2020	FHLMC NOTES			150,000.00	150,000.00
40136	COMM	3133ELAE4	FEDERAL FARM CR	Interest	08/24/2020	FFCB NOTES			162,500.00	162,500.00
		Totals for 08/24/2020							312,500.00	312,500.00

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38387	COMM	3137AYCE9		Interest	08/25/2020	FHLMC Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9		Redemption	08/25/2020	FHLMC Multi-Family		798,482.05		798,482.05
38391	COMM	3137AYCE9		Interest	08/25/2020	FHLMC Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9		Redemption	08/25/2020	FHLMC Multi-Family		299,280.37		299,280.37
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Interest	08/25/2020	BMW VEHICLE			24,440.99	24,440.99
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Redemption	08/25/2020	BMW VEHICLE		1,733,498.75		1,733,498.75
38465	COMM	3137AWQH1	FHLMCM 2.307%	Interest	08/25/2020	FHLMC Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	Redemption	08/25/2020	FHLMC Multi-Family		232,047.11		232,047.11
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Interest	08/25/2020	FNMA Multi-Family			7,533.66	7,533.66
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Redemption	08/25/2020	FNMA Multi-Family		5,876.48		5,876.48
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Interest	08/25/2020	FHLMC Multi-Family			55,333.34	55,333.34
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Redemption	08/25/2020	FHLMC Multi-Family		710,444.84		710,444.84
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	08/25/2020	FNMA Multi-Family			6,845.97	6,845.97
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	08/25/2020	FNMA Multi-Family		283,282.38		283,282.38
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	08/25/2020	FNMA Multi-Family			6,845.97	6,845.97
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	08/25/2020	FNMA Multi-Family		283,282.38		283,282.38
38666	COMM	3137AYCE9		Interest	08/25/2020	FHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9		Redemption	08/25/2020	FHLMC Multi-Family		460,167.58		460,167.58
38744	COMM	3137AYCE9		Interest	08/25/2020	FHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9		Redemption	08/25/2020	FHLMC Multi-Family		783,875.95		783,875.95
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Interest	08/25/2020	FHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Redemption	08/25/2020	FHLMC Multi-Family		146,943.21		146,943.21
38864	COMM	3137B5JM6	FHLMCM 3.531%	Interest	08/25/2020	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	Redemption	08/25/2020	FHLMC Multi-Family		310,498.34		310,498.34
38945	COMM	3137B3NA2	FHLMC REMIC	Interest	08/25/2020	FHLMC Multi-Family			28,723.99	28,723.99
38945	COMM	3137B3NA2	FHLMC REMIC	Redemption	08/25/2020	FHLMC Multi-Family		351,227.03		351,227.03
39026	COMM	3137B5KW2	FHLMCM 3.458%	Interest	08/25/2020	FHLMC Multi-Family			28,816.67	28,816.67
39026	COMM	3137B5KW2	FHLMCM 3.458%	Redemption	08/25/2020	FHLMC Multi-Family		302,299.95		302,299.95
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Interest	08/25/2020	FNMA Multi-Family			68,615.65	68,615.65
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Redemption	08/25/2020	FNMA Multi-Family		63,867.78		63,867.78
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Interest	08/25/2020	FNMA Multi-Family			46,603.04	46,603.04
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Redemption	08/25/2020	FNMA Multi-Family		27,394.13		27,394.13
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	08/25/2020	FNMA Multi-Family			38,191.47	38,191.47
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	08/25/2020	FNMA Multi-Family		20,763.74		20,763.74
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	08/25/2020	FNMA Multi-Family			6,375.04	6,375.04
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	08/25/2020	FNMA Multi-Family		3,465.94		3,465.94
39295	COMM	3137B04Y7	FHLMCM 2.615%	Interest	08/25/2020	FHLMC Multi-Family			58,837.51	58,837.51
39295	COMM	3137B04Y7	FHLMCM 2.615%	Redemption	08/25/2020	FHLMC Multi-Family		968,497.87		968,497.87
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Interest	08/25/2020	FNMA Multi-Family			53,173.61	53,173.61
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Redemption	08/25/2020	FNMA Multi-Family		685,255.80		685,255.80

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39457	COMM	3138EKX67	FNMAM 2.537% MAT	Interest	08/25/2020	FNMA Multi-Family			22,798.02	22,798.02
39457	COMM	3138EKX67	FNMAM 2.537% MAT	Redemption	08/25/2020	FNMA Multi-Family		23,281.19		23,281.19
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Interest	08/25/2020	FNMA Multi-Family			31,403.99	31,403.99
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Redemption	08/25/2020	FNMA Multi-Family		31,035.44		31,035.44
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Interest	08/25/2020	FNMA Multi-Family			9,256.94	9,256.94
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Redemption	08/25/2020	FNMA Multi-Family		139,211.54		139,211.54
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Interest	08/25/2020	FNMA Multi-Family			13,299.78	13,299.78
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Redemption	08/25/2020	FNMA Multi-Family		13,113.15		13,113.15
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Interest	08/25/2020	FHLMC Multi-Family			40,968.38	40,968.38
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Redemption	08/25/2020	FHLMC Multi-Family		250,612.16		250,612.16
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Interest	08/25/2020	FNMA Multi-Family			11,151.39	11,151.39
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Redemption	08/25/2020	FNMA Multi-Family		215,564.58		215,564.58
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Interest	08/25/2020	FNMA Multi-Family			12,076.87	12,076.87
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Redemption	08/25/2020	FNMA Multi-Family		12,090.18		12,090.18
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Interest	08/25/2020	FNMA Multi-Family			15,949.55	15,949.55
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Redemption	08/25/2020	FNMA Multi-Family		21,012.79		21,012.79
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Interest	08/25/2020	BMW VEHICLE			27,600.00	27,600.00
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Redemption	08/25/2020	BMW VEHICLE		428,552.01		428,552.01
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Interest	08/25/2020	FNMA Multi-Family			16,053.29	16,053.29
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Redemption	08/25/2020	FNMA Multi-Family		17,763.58		17,763.58
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Interest	08/25/2020	FNMA Multi-Family			13,482.96	13,482.96
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Redemption	08/25/2020	FNMA Multi-Family		13,292.78		13,292.78
40385	COMM	3137BUWM6	FHLMCM 2.932%	Interest	08/25/2020	FHLMC Multi-Family			35,969.99	35,969.99
40385	COMM	3137BUWM6	FHLMCM 2.932%	Redemption	08/25/2020	FHLMC Multi-Family		21,160.23		21,160.23
40390	COMM	3137BHCY1	FHLMCM 2.811%	Interest	08/25/2020	FHLMC Multi-Family			24,807.08	24,807.08
40390	COMM	3137BHCY1	FHLMCM 2.811%	Redemption	08/25/2020	FHLMC Multi-Family		250,560.63		250,560.63
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Interest	08/25/2020	FNMA Multi-Family			36,986.38	36,986.38
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Redemption	08/25/2020	FNMA Multi-Family		438,968.90		438,968.90
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Interest	08/25/2020	FNMA Multi-Family			1,640.96	1,640.96
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Redemption	08/25/2020	FNMA Multi-Family		2,161.89		2,161.89
40526	COMM	3137BSP64	FHLMCM 2.34% MAT	Interest	08/25/2020	FHLMC Multi-Family			33,868.20	33,868.20
40526	COMM	3137BSP64	FHLMCM 2.34% MAT	Redemption	08/25/2020	FHLMC Multi-Family		91,455.80		91,455.80
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Interest	08/25/2020	FHLMC Multi-Family			18,913.29	18,913.29
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Redemption	08/25/2020	FHLMC Multi-Family		31,142.60		31,142.60
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Interest	08/25/2020	FHLMC Multi-Family			-4,880.85	-4,880.85
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Redemption	08/25/2020	FHLMC Multi-Family				0.00
40530	COMM	09661RAD3	BMWOT 0.48% MAT	Interest	08/25/2020	BMW VEHICLE			4,533.33	4,533.33
40530	COMM	09661RAD3	BMWOT 0.48% MAT	Redemption	08/25/2020	BMW VEHICLE		166,383.66		166,383.66
40539	COMM	3137BKGH7	FHLMCM 2.712%	Interest	08/25/2020	FHLMC Multi-Family			12,622.50	12,622.50
40539	COMM	3137BKGH7	FHLMCM 2.712%	Redemption	08/25/2020	FHLMC Multi-Family		81,016.33		81,016.33

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40539	COMM	3137BKGH7	FHLMCM 2.712%	Interest	08/25/2020	FHLMC Multi-Family			-11,360.25	-11,360.25
40539	COMM	3137BKGH7	FHLMCM 2.712%	Redemption	08/25/2020	FHLMC Multi-Family				0.00
40540	COMM	3137FUZN7	FHLMCM 0.526%	Interest	08/25/2020	FHLMC Multi-Family			1,753.33	1,753.33
40540	COMM	3137FUZN7	FHLMCM 0.526%	Redemption	08/25/2020	FHLMC Multi-Family		9,303.92		9,303.92
40540	COMM	3137FUZN7	FHLMCM 0.526%	Interest	08/25/2020	FHLMC Multi-Family			-1,694.89	-1,694.89
40540	COMM	3137FUZN7	FHLMCM 0.526%	Redemption	08/25/2020	FHLMC Multi-Family				0.00
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Interest	08/25/2020	FNMA Multi-Family			50,742.48	50,742.48
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Redemption	08/25/2020	FNMA Multi-Family		36,261.37		36,261.37
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Interest	08/25/2020	FNMA Multi-Family			-49,105.62	-49,105.62
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Redemption	08/25/2020	FNMA Multi-Family				0.00
		Totals for 08/25/2020						10,764,396.41	983,915.39	11,748,311.80
40554	COMM	3137EAEV7	FEDERAL HOME LN	Purchase	08/26/2020	FHLMC NOTES	14,985,820.83			-14,985,820.83
38466	COMM	3134GSFE0	FEDERAL HOME LN	Interest	08/26/2020	FHLMC NOTES			250,000.00	250,000.00
		Totals for 08/26/2020					14,985,820.83		250,000.00	-14,735,820.83
40555	COMM	3135G05X7	FEDERAL NATL MTG	Purchase	08/27/2020	FNMA NOTES	29,859,600.00			-29,859,600.00
		Totals for 08/27/2020					29,859,600.00			-29,859,600.00
40556	COMM	22533TJ23	CRA DISC NOTE	Purchase	08/28/2020	CREDIT AGRICOLE	49,999,513.89			-49,999,513.89
40560	COMM	22549L2G9	CRSNY 0.28% MAT	Purchase	08/28/2020	Credit Suisse NY	88,022,323.73			-88,022,323.73
40559	COMM	3133EL4V3	FFCB 0.165% MAT	Purchase	08/28/2020	FFCB NOTES	74,993,757.92			-74,993,757.92
40558	COMM	5148X0HX6	LANDES DISC NOTE	Purchase	08/28/2020	LANDES	74,999,562.50			-74,999,562.50
40557	COMM	63873JHX1	NATXNY DISC NOTE	Purchase	08/28/2020	Natixis NY Branch	74,999,562.50			-74,999,562.50
38016	COMM	3130ABZE9	FEDERAL HOME	Redemption	08/28/2020	FHLB NOTES		8,400,000.00		8,400,000.00
40061	COMM	13606C2P8	CIBCNY 1.8% MAT	Redemption	08/28/2020	Canadian IMP BK		50,000,000.00		50,000,000.00
40248	COMM	46640PHU0	JPMSCC DISC NOTE	Redemption	08/28/2020	JP Morgan Securities		25,000,000.00		25,000,000.00
40395	COMM	2546R2HU3	WALTPP DISC NOTE	Redemption	08/28/2020	Walt Disney Company		50,000,000.00		50,000,000.00
40396	COMM	16677JHU3	CVX DISC NOTE	Redemption	08/28/2020	CHEVRON CORP.		50,000,000.00		50,000,000.00
40397	COMM	59157THU0	METSHR DISC NOTE	Redemption	08/28/2020	METLIFE SHORT		23,250,000.00		23,250,000.00
40422	COMM	7426M2HU8	PEFCO DISC NOTE	Redemption	08/28/2020	PRIVATE EXPORT		50,000,000.00		50,000,000.00
40507	COMM	3134GVA73	FEDERAL HOME LN	Redemption	08/28/2020	FHLMC NOTES		25,000,000.00		25,000,000.00
37578	COMM	3134GA5T7	FHLMC 2.125% MAT	Interest	08/28/2020	FHLMC NOTES			37,187.50	37,187.50
37579	COMM	3134GA5T7	FHLMC 2.125% MAT	Interest	08/28/2020	FHLMC NOTES			212,500.00	212,500.00
38016	COMM	3130ABZE9	FEDERAL HOME	Interest	08/28/2020	FHLB NOTES			69,300.00	69,300.00
40061	COMM	13606C2P8	CIBCNY 1.8% MAT	Interest	08/28/2020	Canadian IMP BK			705,000.00	705,000.00
40507	COMM	3134GVA73	FEDERAL HOME LN	Interest	08/28/2020	FHLMC NOTES			25,000.00	25,000.00
40507	COMM	3134GVA73	FEDERAL HOME LN	Accr Int	08/28/2020	FHLMC NOTES		277.78	-277.78	0.00
		Totals for 08/28/2020					363,014,720.54	281,650,277.78	1,048,709.72	-80,315,733.04
40383	COMM	30229AHX0	XON DISC NOTE	Redemption	08/31/2020	Exxon Mobil Group		50,000,000.00		50,000,000.00
40414	COMM	71344THX3	PEPPP DISC NOTE	Redemption	08/31/2020	PEPSICO INC		50,000,000.00		50,000,000.00

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40557	COMM	63873JHX1	NATXNY DISC NOTE	Redemption	08/31/2020	Natixis NY Branch		75,000,000.00		75,000,000.00
40558	COMM	5148X0HX6	LANDES DISC NOTE	Redemption	08/31/2020	LANDES		75,000,000.00		75,000,000.00
		Totals for 08/31/2020						250,000,000.00		250,000,000.00
40444	COMM	2546R2J15	WALTPP DISC NOTE	Redemption	09/01/2020	Walt Disney Company		25,000,000.00		25,000,000.00
38024	COMM	3133EHWM1	FEDERAL FARM CR	Interest	09/01/2020	FFCB NOTES			25,500.00	25,500.00
38025	COMM	3133EHWM1	FEDERAL FARM CR	Interest	09/01/2020	FFCB NOTES			42,500.00	42,500.00
38026	COMM	3133EHWM1	FEDERAL FARM CR	Interest	09/01/2020	FFCB NOTES			59,500.00	59,500.00
38852	COMM	30231GAV4	EXXON MOBIL	Interest	09/01/2020	EXXON MOBIL			111,100.00	111,100.00
39951	COMM	30231GAV4	EXXON MOBIL	Interest	09/01/2020	EXXON MOBIL			132,908.93	132,908.93
		Totals for 09/01/2020						25,000,000.00	371,508.93	25,371,508.93
40562	COMM	46640PSU8	JPMSCC ZERO CPN	Purchase	09/02/2020	JP Morgan Securities	49,910,666.67			-49,910,666.67
40563	COMM	5148X0J30	LANDES DISC NOTE	Purchase	09/02/2020	LANDES	49,999,902.78			-49,999,902.78
40564	COMM	63873JJ35	NATXNY DISC NOTE	Purchase	09/02/2020	Natixis NY Branch	49,999,902.78			-49,999,902.78
40561	COMM	21687AJ38	RABO DISC NOTE	Purchase	09/02/2020	RABOBANK	49,999,902.78			-49,999,902.78
40556	COMM	22533TJ23	CRA DISC NOTE	Redemption	09/02/2020	CREDIT AGRICOLE		50,000,000.00		50,000,000.00
34292	COMM	SYS34292	MSTI 0.%	Interest	09/02/2020	MORGAN STANLEY			2,124.12	2,124.12
34292	COMM	SYS34292	MSTI 0.%	Purchase	09/02/2020	MORGAN STANLEY	2,124.12			-2,124.12
40461	COMM	SYS40461	DGCXX 0.%	Interest	09/02/2020	Dreyfus Government			18,197.35	18,197.35
40461	COMM	SYS40461	DGCXX 0.%	Purchase	09/02/2020	Dreyfus Government	18,197.35			-18,197.35
		Totals for 09/02/2020					199,930,696.48	50,000,000.00	20,321.47	-149,910,375.01
40568	COMM	3133EL5S9	FEDERAL FARM CR	Purchase	09/03/2020	FFCB NOTES	20,000,000.00			-20,000,000.00
40567	COMM	5148X0J48	LANDES DISC NOTE	Purchase	09/03/2020	LANDES	49,999,902.78			-49,999,902.78
40566	COMM	63873JJ43	NATXNY DISC NOTE	Purchase	09/03/2020	Natixis NY Branch	49,999,902.78			-49,999,902.78
40565	COMM	21687AJ46	RABO DISC NOTE	Purchase	09/03/2020	RABOBANK	49,999,902.78			-49,999,902.78
39801	COMM	3133EKH66	FEDERAL FARM CR	Redemption	09/03/2020	FFCB NOTES		20,000,000.00		20,000,000.00
40561	COMM	21687AJ38	RABO DISC NOTE	Redemption	09/03/2020	RABOBANK		50,000,000.00		50,000,000.00
40563	COMM	5148X0J30	LANDES DISC NOTE	Redemption	09/03/2020	LANDES		50,000,000.00		50,000,000.00
40564	COMM	63873JJ35	NATXNY DISC NOTE	Redemption	09/03/2020	Natixis NY Branch		50,000,000.00		50,000,000.00
39105	COMM	3133EJY60	FEDERAL FARM CR	Interest	09/03/2020	FFCB NOTES			188,750.00	188,750.00
39573	COMM	166764BN9	CHEVRON CORP	Interest	09/03/2020	CHEVRON CORP.			110,973.65	110,973.65
39801	COMM	3133EKH66	FEDERAL FARM CR	Interest	09/03/2020	FFCB NOTES			185,000.00	185,000.00
40031	COMM	478160CD4	JOHNSON &	Interest	09/03/2020	JOHNSON &			218,756.25	218,756.25
		Totals for 09/03/2020					169,999,708.34	170,000,000.00	703,479.90	703,771.56
40572	COMM	22536LJ84	CICNY DISC NOTE	Purchase	09/04/2020	Credit Indust et Com	29,999,766.67			-29,999,766.67
40571	COMM	3137EAEW5	FEDERAL HOME LN	Purchase	09/04/2020	FHLMC NOTES	34,988,450.00			-34,988,450.00
40569	COMM	5148X0J89	LANDES DISC NOTE	Purchase	09/04/2020	LANDES	99,999,222.22			-99,999,222.22
40570	COMM	63873JJ84	NATXNY DISC NOTE	Purchase	09/04/2020	Natixis NY Branch	49,999,611.11			-49,999,611.11
40448	COMM	14178LJ43	CARGIL DISC NOTE	Redemption	09/04/2020	CARGILL INC		19,000,000.00		19,000,000.00

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40565	COMM	21687AJ46	RABO DISC NOTE	Redemption	09/04/2020	RABOBANK		50,000,000.00		50,000,000.00
40566	COMM	63873JJ43	NATXNY DISC NOTE	Redemption	09/04/2020	Natixis NY Branch		50,000,000.00		50,000,000.00
40567	COMM	5148X0J48	LANDES DISC NOTE	Redemption	09/04/2020	LANDES		50,000,000.00		50,000,000.00
		Totals for 09/04/2020					214,987,050.00	169,000,000.00		-45,987,050.00
40576	COMM	3137EAEW5	FEDERAL HOME LN	Purchase	09/08/2020	FHLMC NOTES	19,991,555.56			-19,991,555.56
40575	COMM	3136G4X40	FEDERAL NATL MTG	Purchase	09/08/2020	FNMA NOTES	12,639,368.00			-12,639,368.00
40573	COMM	5148X0J97	LANDES DISC NOTE	Purchase	09/08/2020	LANDES	49,999,902.78			-49,999,902.78
40574	COMM	21687AJ95	RABO DISC NOTE	Purchase	09/08/2020	RABOBANK	99,999,805.56			-99,999,805.56
40569	COMM	5148X0J89	LANDES DISC NOTE	Redemption	09/08/2020	LANDES		100,000,000.00		100,000,000.00
40570	COMM	63873JJ84	NATXNY DISC NOTE	Redemption	09/08/2020	Natixis NY Branch		50,000,000.00		50,000,000.00
40572	COMM	22536LJ84	CICNY DISC NOTE	Redemption	09/08/2020	Credit Indust et Com		30,000,000.00		30,000,000.00
39138	COMM	3130ABFD3	FEDERAL HOME	Interest	09/08/2020	FHLB NOTES			98,437.50	98,437.50
39362	COMM	3130AB3H7	FEDERAL HOME	Interest	09/08/2020	FHLB NOTES			169,218.75	169,218.75
39936	COMM	3130A3DL5	FEDERAL HOME	Interest	09/08/2020	FHLB NOTES			118,037.50	118,037.50
40505	COMM	30231GAF9	EXXON MOBIL	Interest	09/08/2020	EXXON MOBIL			67,725.00	67,725.00
40505	COMM	30231GAF9	EXXON MOBIL	Accr Int	09/08/2020	EXXON MOBIL		30,100.00	-30,100.00	0.00
		Totals for 09/08/2020					182,630,631.90	180,030,100.00	423,318.75	-2,177,213.15
40577	COMM	13063DVM7	CALIFORNIA ST,	Purchase	09/09/2020	CALIFORNIA STATE	30,593,933.50			-30,593,933.50
40581	COMM	3133EL6E9	FEDERAL FARM CR	Purchase	09/09/2020	FFCB NOTES	15,000,000.00			-15,000,000.00
40580	COMM	5148X0JA4	LANDES DISC NOTE	Purchase	09/09/2020	LANDES	99,999,805.56			-99,999,805.56
40578	COMM	21687AJA2	RABO DISC NOTE	Purchase	09/09/2020	RABOBANK	99,999,805.56			-99,999,805.56
40579	COMM	30229AT17	XOM ZERO CPN	Purchase	09/09/2020	EXXON MOBIL	49,930,069.44			-49,930,069.44
40573	COMM	5148X0J97	LANDES DISC NOTE	Redemption	09/09/2020	LANDES		50,000,000.00		50,000,000.00
40574	COMM	21687AJ95	RABO DISC NOTE	Redemption	09/09/2020	RABOBANK		100,000,000.00		100,000,000.00
		Totals for 09/09/2020					295,523,614.06	150,000,000.00		-145,523,614.06
40583	COMM	5148X0JB2	LANDES DISC NOTE	Purchase	09/10/2020	LANDES	99,999,805.56			-99,999,805.56
40582	COMM	21687AJB0	RABO DISC NOTE	Purchase	09/10/2020	RABOBANK	99,999,805.56			-99,999,805.56
40578	COMM	21687AJA2	RABO DISC NOTE	Redemption	09/10/2020	RABOBANK		100,000,000.00		100,000,000.00
40580	COMM	5148X0JA4	LANDES DISC NOTE	Redemption	09/10/2020	LANDES		100,000,000.00		100,000,000.00
39786	COMM	313378JP7	FEDERAL HOME	Interest	09/10/2020	FHLB NOTES			64,659.38	64,659.38
		Totals for 09/10/2020					199,999,611.12	200,000,000.00	64,659.38	65,048.26
40585	COMM	3133ELVQ4	FEDERAL FARM CR	Purchase	09/11/2020	FFCB NOTES	15,411,333.33			-15,411,333.33
40586	COMM	5148X0JE6	LANDES DISC NOTE	Purchase	09/11/2020	LANDES	99,999,416.66			-99,999,416.66
40587	COMM	59157TT45	METSHR ZERO CPN	Purchase	09/11/2020	METLIFE SHORT	49,926,111.11			-49,926,111.11
40584	COMM	21687AJE4	RABO DISC NOTE	Purchase	09/11/2020	RABOBANK	99,999,416.66			-99,999,416.66
36993	COMM	313380WG8	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		19,500,000.00		19,500,000.00
37022	COMM	313380WG8	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		12,000,000.00		12,000,000.00
37054	COMM	313380WG8	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		10,000,000.00		10,000,000.00

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37072	COMM	313380WG8	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		13,860,000.00		13,860,000.00
38269	COMM	3130A66T9	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		25,000,000.00		25,000,000.00
38436	COMM	313370US5	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		5,000,000.00		5,000,000.00
39832	COMM	3133EKM94	FEDERAL FARM CR	Redemption	09/11/2020	FFCB NOTES		15,000,000.00		15,000,000.00
39833	COMM	3133EKM94	FEDERAL FARM CR	Redemption	09/11/2020	FFCB NOTES		15,000,000.00		15,000,000.00
39834	COMM	3130AH2B8	FEDERAL HOME	Redemption	09/11/2020	FHLB NOTES		20,000,000.00		20,000,000.00
40582	COMM	21687AJB0	RABO DISC NOTE	Redemption	09/11/2020	RABOBANK		100,000,000.00		100,000,000.00
40583	COMM	5148X0JB2	LANDES DISC NOTE	Redemption	09/11/2020	LANDES		100,000,000.00		100,000,000.00
36993	COMM	313380WG8	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			134,062.50	134,062.50
37022	COMM	313380WG8	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			82,500.00	82,500.00
37054	COMM	313380WG8	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			68,750.00	68,750.00
37072	COMM	313380WG8	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			95,287.50	95,287.50
37726	COMM	313378CR0	FHLB 2.25% MAT	Interest	09/11/2020	FHLB NOTES			281,250.00	281,250.00
38269	COMM	3130A66T9	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			203,125.00	203,125.00
38436	COMM	313370US5	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			71,875.00	71,875.00
39296	COMM	3133EKCS3	FEDERAL FARM CR	Interest	09/11/2020	FFCB NOTES			255,000.00	255,000.00
39831	COMM	037833DL1	APPLE INC, SR GLBL	Interest	09/11/2020	APPLE INC			59,500.00	59,500.00
39832	COMM	3133EKM94	FEDERAL FARM CR	Interest	09/11/2020	FFCB NOTES			142,500.00	142,500.00
39833	COMM	3133EKM94	FEDERAL FARM CR	Interest	09/11/2020	FFCB NOTES			142,500.00	142,500.00
39834	COMM	3130AH2B8	FEDERAL HOME	Interest	09/11/2020	FHLB NOTES			197,000.00	197,000.00
40135	COMM	3133ELCS1	FEDERAL FARM CR	Interest	09/11/2020	FFCB NOTES			111,987.50	111,987.50
		Totals for 09/11/2020					265,336,277.76	335,360,000.00	1,845,337.50	71,869,059.74
40589	COMM	5148X0JF3	LANDES DISC NOTE	Purchase	09/14/2020	LANDES	99,999,805.56			-99,999,805.56
40588	COMM	21687AJF1	RABO DISC NOTE	Purchase	09/14/2020	RABOBANK	99,999,805.56			-99,999,805.56
40458	COMM	71708EJE6	PFIZER DISC NOTE	Redemption	09/14/2020	PFIZER		15,000,000.00		15,000,000.00
40584	COMM	21687AJE4	RABO DISC NOTE	Redemption	09/14/2020	RABOBANK		100,000,000.00		100,000,000.00
40586	COMM	5148X0JE6	LANDES DISC NOTE	Redemption	09/14/2020	LANDES		100,000,000.00		100,000,000.00
37711	COMM	313382K69	FEDERAL HOME	Interest	09/14/2020	FHLB NOTES			226,275.00	226,275.00
38878	COMM	3133EJZH5	FEDERAL FARM CR	Interest	09/14/2020	FFCB NOTES			196,000.00	196,000.00
39852	COMM	3130A2UW4	FEDERAL HOME	Interest	09/14/2020	FHLB NOTES			143,750.00	143,750.00
39985	COMM	3130A2UW4	FEDERAL HOME	Interest	09/14/2020	FHLB NOTES			431,250.00	431,250.00
40501	COMM	3130A2UW4	FEDERAL HOME	Interest	09/14/2020	FHLB NOTES			71,875.00	71,875.00
40501	COMM	3130A2UW4	FEDERAL HOME	Accr Int	09/14/2020	FHLB NOTES		24,357.64	-24,357.64	0.00
		Totals for 09/14/2020					199,999,611.12	215,024,357.64	1,044,792.36	16,069,538.88
40590	COMM	5148X0JG1	LANDES DISC NOTE	Purchase	09/15/2020	LANDES	99,999,777.78			-99,999,777.78
40591	COMM	21687AJG9	RABO DISC NOTE	Purchase	09/15/2020	RABOBANK	99,999,805.56			-99,999,805.56
40588	COMM	21687AJF1	RABO DISC NOTE	Redemption	09/15/2020	RABOBANK		100,000,000.00		100,000,000.00
40589	COMM	5148X0JF3	LANDES DISC NOTE	Redemption	09/15/2020	LANDES		100,000,000.00		100,000,000.00
38830	COMM	084670BQ0	BERKSHIRE	Interest	09/15/2020	BERKSHIRE			110,000.00	110,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39332	COMM	89233P5F9	TOYO 3.4% MAT	Interest	09/15/2020	TOYOTA MOTOR			190,621.00	190,621.00
39544	COMM	084670BR8	BERKSHIRE	Interest	09/15/2020	BERKSHIRE			228,580.00	228,580.00
39998	COMM	30231GAC6	EXXON MOBIL	Interest	09/15/2020	EXXON MOBIL			79,400.00	79,400.00
40080	COMM	084670BR8	BERKSHIRE	Interest	09/15/2020	BERKSHIRE			297,316.25	297,316.25
37976	COMM	43811BAC8	HAROT 1.68% MAT	Interest	09/15/2020	HONDA AUTO			3,767.12	3,767.12
37976	COMM	43811BAC8	HAROT 1.68% MAT	Redemption	09/15/2020	HONDA AUTO		923,813.24		923,813.24
38137	COMM	89238KAD4	TAOT 1.93% MAT	Interest	09/15/2020	TOYOTA AUTO REC			12,214.82	12,214.82
38137	COMM	89238KAD4	TAOT 1.93% MAT	Redemption	09/15/2020	TOYOTA AUTO REC		1,269,341.64		1,269,341.64
38475	COMM	65478DAD9	NALT 2.65% MAT	Interest	09/15/2020	NISSAN AUTO			18,608.24	18,608.24
38475	COMM	65478DAD9	NALT 2.65% MAT	Redemption	09/15/2020	NISSAN AUTO		1,119,297.05		1,119,297.05
38476	COMM	47788CAC6	JDOT 2.66% MAT	Interest	09/15/2020	JOHN DEERE			6,247.70	6,247.70
38476	COMM	47788CAC6	JDOT 2.66% MAT	Redemption	09/15/2020	JOHN DEERE		407,089.65		407,089.65
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Interest	09/15/2020	CHASE ISSUANCE			10,786.02	10,786.02
38708	COMM	161571HN7	CHAIT 2.1227% MAT	Redemption	09/15/2020	CHASE ISSUANCE		1,287,729.46		1,287,729.46
38958	COMM	89231PAD0	TAOT 3.18% MAT	Interest	09/15/2020	TOYOTA AUTO REC			26,500.00	26,500.00
38958	COMM	89231PAD0	TAOT 3.18% MAT	Redemption	09/15/2020	TOYOTA AUTO REC		346,131.71		346,131.71
39013	COMM	43815AAC6	HAROT 3.16% MAT	Interest	09/15/2020	HONDA AUTO			54,636.17	54,636.17
39013	COMM	43815AAC6	HAROT 3.16% MAT	Redemption	09/15/2020	HONDA AUTO		1,489,395.30		1,489,395.30
39062	COMM	05522RCZ9	BACCT 3.% MAT	Interest	09/15/2020	BANK OF AMERICA			50,350.00	50,350.00
39062	COMM	05522RCZ9	BACCT 3.% MAT	Redemption	09/15/2020	BANK OF AMERICA		610,984.41		610,984.41
39082	COMM	05522RDA3	BACCT 3.1% MAT	Interest	09/15/2020	BANK OF AMERICA			38,750.00	38,750.00
39082	COMM	05522RDA3	BACCT 3.1% MAT	Redemption	09/15/2020	BANK OF AMERICA		416,362.44		416,362.44
39190	COMM	58772TAC4	MBALT 3.1% MAT	Interest	09/15/2020	MERCEDES-BENZ			20,884.57	20,884.57
39190	COMM	58772TAC4	MBALT 3.1% MAT	Redemption	09/15/2020	MERCEDES-BENZ		983,972.30		983,972.30
39220	COMM	05522RCY2	BACCT 2.7% MAT	Interest	09/15/2020	BANK OF AMERICA			56,250.00	56,250.00
39220	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	09/15/2020	BANK OF AMERICA		790,609.57		790,609.57
39320	COMM	05522RCY2	BACCT 2.7% MAT	Interest	09/15/2020	BANK OF AMERICA			45,000.00	45,000.00
39320	COMM	05522RCY2	BACCT 2.7% MAT	Redemption	09/15/2020	BANK OF AMERICA		633,701.36		633,701.36
39578	COMM	65479HAC1	NAROT 2.5% MAT	Interest	09/15/2020	Nissan Auto Receivab			41,666.66	41,666.66
39578	COMM	65479HAC1	NAROT 2.5% MAT	Redemption	09/15/2020	Nissan Auto Receivab		545,477.73		545,477.73
39586	COMM	14042WAC4	COPAR 2.51% MAT	Interest	09/15/2020	Capital One Prime Au			18,825.00	18,825.00
39586	COMM	14042WAC4	COPAR 2.51% MAT	Redemption	09/15/2020	Capital One Prime Au		245,435.32		245,435.32
39706	COMM	477870AC3	JDOT 2.21% MAT	Interest	09/15/2020	JOHN DEERE			16,114.59	16,114.59
39706	COMM	477870AC3	JDOT 2.21% MAT	Redemption	09/15/2020	JOHN DEERE		229,669.52		229,669.52
39777	COMM	43815NAC8	HAROT 1.78% MAT	Interest	09/15/2020	HONDA AUTO			10,754.16	10,754.16
39777	COMM	43815NAC8	HAROT 1.78% MAT	Redemption	09/15/2020	HONDA AUTO		211,675.61		211,675.61
39811	COMM	14041NFU0	COMET 1.72% MAT	Interest	09/15/2020	Capital One Multi Ex			50,166.66	50,166.66
39811	COMM	14041NFU0	COMET 1.72% MAT	Redemption	09/15/2020	Capital One Multi Ex		774,054.69		774,054.69
39883	COMM	58769TAD7	MBART 1.93% MAT	Interest	09/15/2020	MERCEDES -BENZ			43,650.01	43,650.01
39883	COMM	58769TAD7	MBART 1.93% MAT	Redemption	09/15/2020	MERCEDES -BENZ		660,234.21		660,234.21

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40017	COMM	44891JAC2	HART 1.94% MAT	Interest	09/15/2020	HYUNDAI AUTO			18,995.84	18,995.84
40017	COMM	44891JAC2	HART 1.94% MAT	Redemption	09/15/2020	HYUNDAI AUTO		289,894.09		289,894.09
40038	COMM	89233MAD5	TAOT 1.92% MAT	Interest	09/15/2020	TOYOTA AUTO REC			31,200.00	31,200.00
40038	COMM	89233MAD5	TAOT 1.92% MAT	Redemption	09/15/2020	TOYOTA AUTO REC		492,552.05		492,552.05
40062	COMM	58769QAC5	MBALT 2.% MAT	Interest	09/15/2020	MERCEDES-BENZ			16,666.67	16,666.67
40062	COMM	58769QAC5	MBALT 2.% MAT	Redemption	09/15/2020	MERCEDES-BENZ		392,787.97		392,787.97
40134	COMM	02007TAC9	ALLY 1.84% MAT	Interest	09/15/2020	ALLY Auto			19,933.33	19,933.33
40134	COMM	02007TAC9	ALLY 1.84% MAT	Redemption	09/15/2020	ALLY Auto		288,329.82		288,329.82
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Interest	09/15/2020	Harley-Davidson Moto			15,583.33	15,583.33
40294	COMM	41284UAD6	HDMOT 1.87% MAT	Redemption	09/15/2020	Harley-Davidson Moto		205,593.97		205,593.97
40336	COMM	161571HP2	CHAIT 1.53% MAT	Interest	09/15/2020	CHASE ISSUANCE			34,425.00	34,425.00
40336	COMM	161571HP2	CHAIT 1.53% MAT	Redemption	09/15/2020	CHASE ISSUANCE		523,745.22		523,745.22
40340	COMM	14043MAC5	COPAR 1.6% MAT	Interest	09/15/2020	Capital One Prime Au			33,333.25	33,333.25
40340	COMM	14043MAC5	COPAR 1.6% MAT	Redemption	09/15/2020	Capital One Prime Au		502,736.86		502,736.86
40392	COMM	58770FAC6	MBALT 1.84% MAT	Interest	09/15/2020	MERCEDES-BENZ			45,999.99	45,999.99
40392	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	09/15/2020	MERCEDES-BENZ		1,084,304.91		1,084,304.91
40410	COMM	58770FAC6	MBALT 1.84% MAT	Interest	09/15/2020	MERCEDES-BENZ			9,200.00	9,200.00
40410	COMM	58770FAC6	MBALT 1.84% MAT	Redemption	09/15/2020	MERCEDES-BENZ		213,851.15		213,851.15
40411	COMM	254683CH6	DCENT 3.32% MAT	Interest	09/15/2020	Discover Card Execut			41,500.01	41,500.01
40411	COMM	254683CH6	DCENT 3.32% MAT	Redemption	09/15/2020	Discover Card Execut		387,249.44		387,249.44
40515	COMM	58769VAC4	MBART 0.55% MAT	Interest	09/15/2020	MERCEDES -BENZ			2,291.67	2,291.67
40515	COMM	58769VAC4	MBART 0.55% MAT	Redemption	09/15/2020	MERCEDES -BENZ		92,243.59		92,243.59
40533	COMM	47787NAC3	JDOT 0.51% MAT	Interest	09/15/2020	JOHN DEERE			3,378.75	3,378.75
40533	COMM	47787NAC3	JDOT 0.51% MAT	Redemption	09/15/2020	JOHN DEERE		88,023.95		88,023.95
		Totals for 09/15/2020					199,999,583.34	217,506,288.23	1,703,596.81	19,210,301.70
40592	COMM	3136G43H4	FEDERAL NATL MTG	Purchase	09/16/2020	FNMA NOTES	11,685,000.00			-11,685,000.00
40593	COMM	63873JJH4	NATXNY DISC NOTE	Purchase	09/16/2020	Natixis NY Branch	99,999,777.78			-99,999,777.78
40594	COMM	21687AJH7	RABO DISC NOTE	Purchase	09/16/2020	RABOBANK	99,999,805.56			-99,999,805.56
37509	COMM	3136G4MD2	FEDERAL NATL MTG	Redemption	09/16/2020	FNMA NOTES		3,000,000.00		3,000,000.00
39853	COMM	3133EKN93	FEDERAL FARM CR	Redemption	09/16/2020	FFCB NOTES		14,971,500.00		14,971,500.00
39853	COMM	3133EKN93	FEDERAL FARM CR	Cap G/L	09/16/2020	FFCB NOTES		28,500.00		28,500.00
40590	COMM	5148X0JG1	LANDES DISC NOTE	Redemption	09/16/2020	LANDES		100,000,000.00		100,000,000.00
40591	COMM	21687AJG9	RABO DISC NOTE	Redemption	09/16/2020	RABOBANK		100,000,000.00		100,000,000.00
37509	COMM	3136G4MD2	FEDERAL NATL MTG	Interest	09/16/2020	FNMA NOTES			27,750.00	27,750.00
39853	COMM	3133EKN93	FEDERAL FARM CR	Interest	09/16/2020	FFCB NOTES			147,000.00	147,000.00
40257	COMM	78012USR7	RBCNY 1.79963%	Interest	09/16/2020	Royal Bank of			12,161.65	12,161.65
		Totals for 09/16/2020					211,684,583.34	218,000,000.00	186,911.65	6,502,328.31
40597	COMM	3130AJ7E3	FHLB 1.375% MAT	Purchase	09/17/2020	FHLB NOTES	20,593,916.67			-20,593,916.67
40596	COMM	5148X0JJ5	LANDES DISC NOTE	Purchase	09/17/2020	LANDES	99,999,777.78			-99,999,777.78

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40595	COMM	21687AJJ3	RABO DISC NOTE	Purchase	09/17/2020	RABOBANK	99,999,805.56			-99,999,805.56
40510	COMM	3133ELL93	FEDERAL FARM CR	Redemption	09/17/2020	FFCB NOTES		15,000,000.00		15,000,000.00
40593	COMM	63873JJH4	NATXNY DISC NOTE	Redemption	09/17/2020	Natixis NY Branch		100,000,000.00		100,000,000.00
40594	COMM	21687AJH7	RABO DISC NOTE	Redemption	09/17/2020	RABOBANK		100,000,000.00		100,000,000.00
40388	COMM	3133ELTC8	FEDERAL FARM CR	Interest	09/17/2020	FFCB NOTES			112,500.00	112,500.00
40510	COMM	3133ELL93	FEDERAL FARM CR	Interest	09/17/2020	FFCB NOTES			26,625.00	26,625.00
		Totals for 09/17/2020					220,593,500.01	215,000,000.00	139,125.00	-5,454,375.01
40600	COMM	459058JJ3	IBRD FLOAT MAT	Purchase	09/18/2020	INTL BANK RECON &	45,000,000.00			-45,000,000.00
40598	COMM	5148X0JM8	LANDES DISC NOTE	Purchase	09/18/2020	LANDES	99,999,333.34			-99,999,333.34
40599	COMM	63873JJM3	NATXNY DISC NOTE	Purchase	09/18/2020	Natixis NY Branch	74,999,500.00			-74,999,500.00
40595	COMM	21687AJJ3	RABO DISC NOTE	Redemption	09/18/2020	RABOBANK		100,000,000.00		100,000,000.00
40596	COMM	5148X0JJ5	LANDES DISC NOTE	Redemption	09/18/2020	LANDES		100,000,000.00		100,000,000.00
38738	COMM	43814UAG4	HAROT 3.01% MAT	Interest	09/18/2020	HONDA AUTO			18,393.90	18,393.90
38738	COMM	43814UAG4	HAROT 3.01% MAT	Redemption	09/18/2020	HONDA AUTO		753,071.28		753,071.28
39269	COMM	43814WAC9	HAROT 2.83% MAT	Interest	09/18/2020	HONDA AUTO			32,427.08	32,427.08
39269	COMM	43814WAC9	HAROT 2.83% MAT	Redemption	09/18/2020	HONDA AUTO		457,155.81		457,155.81
		Totals for 09/18/2020					219,998,833.34	201,210,227.09	50,820.98	-18,737,785.27
40602	COMM	5148X0JN6	LANDES DISC NOTE	Purchase	09/21/2020	LANDES	99,999,777.78			-99,999,777.78
40601	COMM	21687AJN4	RABO DISC NOTE	Purchase	09/21/2020	RABOBANK	99,999,805.56			-99,999,805.56
37615	COMM	43814TAC6	HAROT 1.72% MAT	Redemption	09/21/2020	HONDA AUTO		297,312.95		297,312.95
38570	COMM	3130ADUY6	FEDERAL HOME	Redemption	09/21/2020	FHLB NOTES		31,575,000.00		31,575,000.00
40598	COMM	5148X0JM8	LANDES DISC NOTE	Redemption	09/21/2020	LANDES		100,000,000.00		100,000,000.00
40599	COMM	63873JJM3	NATXNY DISC NOTE	Redemption	09/21/2020	Natixis NY Branch		75,000,000.00		75,000,000.00
38046	COMM	3133EHZA4	FEDERAL FARM CR	Interest	09/21/2020	FFCB NOTES			83,000.00	83,000.00
38570	COMM	3130ADUY6	FEDERAL HOME	Interest	09/21/2020	FHLB NOTES			386,793.75	386,793.75
39367	COMM	459058GQ0	IBRD 2.5% MAT	Interest	09/21/2020	INTL BANK RECON &			62,500.00	62,500.00
40403	COMM	30231GBH4	XOM 2.992% MAT	Interest	09/21/2020	EXXON MOBIL			224,400.00	224,400.00
37615	COMM	43814TAC6	HAROT 1.72% MAT	Interest	09/21/2020	HONDA AUTO			426.17	426.17
37615	COMM	43814TAC6	HAROT 1.72% MAT	Redemption	09/21/2020	HONDA AUTO		17.69		17.69
37615	COMM	43814TAC6	HAROT 1.72% MAT	Interest	09/21/2020	HONDA AUTO				0.00
37615	COMM	43814TAC6	HAROT 1.72% MAT	Redemption	09/21/2020	HONDA AUTO				0.00
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Interest	09/21/2020	BMW VEHICLE			18,250.00	18,250.00
39327	COMM	05586VAD4	BMWLT 3.38% MAT	Redemption	09/21/2020	BMW VEHICLE		313,277.48		313,277.48
39582	COMM	43815MAC0	HAROT 2.52% MAT	Interest	09/21/2020	HONDA AUTO			35,700.00	35,700.00
39582	COMM	43815MAC0	HAROT 2.52% MAT	Redemption	09/21/2020	HONDA AUTO		527,572.47		527,572.47
39612	COMM	92349GAA9	VERIZON OWNER	Interest	09/21/2020	VERIZON OWNER			67,958.35	67,958.35
39612	COMM	92349GAA9	VERIZON OWNER	Redemption	09/21/2020	VERIZON OWNER		922,987.68		922,987.68
39913	COMM	92867XAD8	VWALT 1.99% MAT	Interest	09/21/2020	Volkswagen Auto			17,412.50	17,412.50
39913	COMM	92867XAD8	VWALT 1.99% MAT	Redemption	09/21/2020	Volkswagen Auto		385,433.60		385,433.60

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39920	COMM	92348AAA3	VZOT 1.94% MAT	Interest	09/21/2020	VERIZON OWNER			38,800.01	38,800.01
39920	COMM	92348AAA3	VZOT 1.94% MAT	Redemption	09/21/2020	VERIZON OWNER		570,155.63		570,155.63
40341	COMM	36259KAD9	GMALT 1.67% MAT	Interest	09/21/2020	GM Fin'cl Auto Leasi			6,958.34	6,958.34
40341	COMM	36259KAD9	GMALT 1.67% MAT	Redemption	09/21/2020	GM Fin'cl Auto Leasi		180,888.12		180,888.12
40346	COMM	43813RAC1	HAROT 1.61% MAT	Interest	09/21/2020	HONDA AUTO			22,137.51	22,137.51
40346	COMM	43813RAC1	HAROT 1.61% MAT	Redemption	09/21/2020	HONDA AUTO		383,163.35		383,163.35
40416	COMM	92868LAD3	VALET 3.02% MAT	Interest	09/21/2020	VOLKSWAGEN			43,511.46	43,511.46
40416	COMM	92868LAD3	VALET 3.02% MAT	Redemption	09/21/2020	VOLKSWAGEN		1,511,491.30		1,511,491.30
40512	COMM	36259PAD8	GMALT 0.8% MAT	Interest	09/21/2020	GM Fin'cl Auto Leasi			1,000.00	1,000.00
40512	COMM	36259PAD8	GMALT 0.8% MAT	Redemption	09/21/2020	GM Fin'cl Auto Leasi		43,098.62		43,098.62
40549	COMM	92290BAA9	VERIZON OWNER	Interest	09/21/2020	VERIZON OWNER			14,893.13	14,893.13
40549	COMM	92290BAA9	VERIZON OWNER	Redemption	09/21/2020	VERIZON OWNER		540,741.27		540,741.27
		Totals for 09/21/2020					199,999,583.34	212,251,140.16	1,023,741.22	13,275,298.04
40603	COMM	3134GWM94	FEDERAL HOME LN	Purchase	09/22/2020	FHLMC NOTES	9,998,141.67			-9,998,141.67
40605	COMM	5148X0JP1	LANDES DISC NOTE	Purchase	09/22/2020	LANDES	99,999,805.56			-99,999,805.56
40604	COMM	63873JJP6	NATXNY DISC NOTE	Purchase	09/22/2020	Natixis NY Branch	99,999,805.56			-99,999,805.56
37880	COMM	3134GBSM5	FEDERAL HOME LN	Redemption	09/22/2020	FHLMC NOTES		5,450,000.00		5,450,000.00
40601	COMM	21687AJN4	RABO DISC NOTE	Redemption	09/22/2020	RABOBANK		100,000,000.00		100,000,000.00
40602	COMM	5148X0JN6	LANDES DISC NOTE	Redemption	09/22/2020	LANDES		100,000,000.00		100,000,000.00
37880	COMM	3134GBSM5	FEDERAL HOME LN	Interest	09/22/2020	FHLMC NOTES			23,162.50	23,162.50
		Totals for 09/22/2020					209,997,752.79	205,450,000.00	23,162.50	-4,524,590.29
40606	COMM	5148X0JQ9	LANDES DISC NOTE	Purchase	09/23/2020	LANDES	99,999,805.56			-99,999,805.56
40608	COMM	58769EAB4	MBALT 0.31% MAT	Purchase	09/23/2020	MERCEDES-BENZ	6,499,407.85			-6,499,407.85
40607	COMM	63873JJQ4	NATXNY DISC NOTE	Purchase	09/23/2020	Natixis NY Branch	99,999,805.56			-99,999,805.56
39871	COMM	459058HG1	IBRD 2.2% MAT	Redemption	09/23/2020	INTL BANK RECON &		10,000,000.00		10,000,000.00
40398	COMM	71708EJP1	PFIZER ZERO CPN	Redemption	09/23/2020	PFIZER		18,225,000.00		18,225,000.00
40604	COMM	63873JJP6	NATXNY DISC NOTE	Redemption	09/23/2020	Natixis NY Branch		100,000,000.00		100,000,000.00
40605	COMM	5148X0JP1	LANDES DISC NOTE	Redemption	09/23/2020	LANDES		100,000,000.00		100,000,000.00
39871	COMM	459058HG1	IBRD 2.2% MAT	Interest	09/23/2020	INTL BANK RECON &			110,000.00	110,000.00
		Totals for 09/23/2020					206,499,018.97	228,225,000.00	110,000.00	21,835,981.03
40611	COMM	3136G43C5	FEDERAL NATL MTG	Purchase	09/24/2020	FNMA NOTES	10,000,000.00			-10,000,000.00
40609	COMM	5148X0JR7	LANDES DISC NOTE	Purchase	09/24/2020	LANDES	99,999,805.56			-99,999,805.56
40610	COMM	63873JJR2	NATXNY DISC NOTE	Purchase	09/24/2020	Natixis NY Branch	99,999,805.56			-99,999,805.56
40606	COMM	5148X0JQ9	LANDES DISC NOTE	Redemption	09/24/2020	LANDES		100,000,000.00		100,000,000.00
40607	COMM	63873JJQ4	NATXNY DISC NOTE	Redemption	09/24/2020	Natixis NY Branch		100,000,000.00		100,000,000.00
40415	COMM	3133ELUJ1	FEDERAL FARM CR	Interest	09/24/2020	FFCB NOTES			150,000.00	150,000.00
		Totals for 09/24/2020					209,999,611.12	200,000,000.00	150,000.00	-9,849,611.12
40614	COMM	31422BR36	FAMCA 0.24% MAT	Purchase	09/25/2020	FARMER MAC	35,000,000.00			-35,000,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40612	COMM	3137EAEX3	FEDERAL HOME LN	Purchase	09/25/2020	FHLMC NOTES	9,969,900.00			-9,969,900.00
40613	COMM	3134GWU79	FEDERAL HOME LN	Purchase	09/25/2020	FHLMC NOTES	35,947,809.00			-35,947,809.00
40615	COMM	5148X0JU0	LANDES DISC NOTE	Purchase	09/25/2020	LANDES	99,999,416.66			-99,999,416.66
40616	COMM	59157TTJ2	METSHR ZERO CPN	Purchase	09/25/2020	METLIFE SHORT	34,948,277.78			-34,948,277.78
40617	COMM	63873JJU5	NATXNY DISC NOTE	Purchase	09/25/2020	Natixis NY Branch	99,999,416.66			-99,999,416.66
37344	COMM	3134G3K90	FEDERAL HOME LN	Redemption	09/25/2020	FHLMC NOTES		10,000,000.00		10,000,000.00
40418	COMM	19121AJR3	KOPP ZERO CPN	Redemption	09/25/2020	Coca-Cola Co		25,000,000.00		25,000,000.00
40419	COMM	3130AJB65	FEDERAL HOME	Redemption	09/25/2020	FHLB NOTES		20,000,000.00		20,000,000.00
40609	COMM	5148X0JR7	LANDES DISC NOTE	Redemption	09/25/2020	LANDES		100,000,000.00		100,000,000.00
40610	COMM	63873JJR2	NATXNY DISC NOTE	Redemption	09/25/2020	Natixis NY Branch		100,000,000.00		100,000,000.00
37344	COMM	3134G3K90	FEDERAL HOME LN	Interest	09/25/2020	FHLMC NOTES			85,000.00	85,000.00
40419	COMM	3130AJB65	FEDERAL HOME	Interest	09/25/2020	FHLB NOTES			162,000.00	162,000.00
38387	COMM	3137AYCE9		Interest	09/25/2020	FHLMC Multi-Family			44,700.00	44,700.00
38387	COMM	3137AYCE9		Redemption	09/25/2020	FHLMC Multi-Family		825,028.91		825,028.91
38391	COMM	3137AYCE9		Interest	09/25/2020	FHLMC Multi-Family			16,762.50	16,762.50
38391	COMM	3137AYCE9		Redemption	09/25/2020	FHLMC Multi-Family		309,230.44		309,230.44
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Interest	09/25/2020	BMW VEHICLE			21,046.21	21,046.21
38412	COMM	09659QAD9	BMWOT 2.35% MAT	Redemption	09/25/2020	BMW VEHICLE		1,855,933.22		1,855,933.22
38465	COMM	3137AWQH1	FHLMCM 2.307%	Interest	09/25/2020	FHLMC Multi-Family			10,727.55	10,727.55
38465	COMM	3137AWQH1	FHLMCM 2.307%	Redemption	09/25/2020	FHLMC Multi-Family		240,411.11		240,411.11
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Interest	09/25/2020	FNMA Multi-Family			7,520.76	7,520.76
38477	COMM	3138LAYM5	FHLMCM 2.55% MAT	Redemption	09/25/2020	FNMA Multi-Family		5,898.11		5,898.11
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Interest	09/25/2020	FHLMC Multi-Family			55,333.34	55,333.34
38643	COMM	3137B36J2	FHLMCM 3.32% MAT	Redemption	09/25/2020	FHLMC Multi-Family		730,864.08		730,864.08
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	09/25/2020	FNMA Multi-Family			5,955.30	5,955.30
38664	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	09/25/2020	FNMA Multi-Family		58,867.65		58,867.65
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Interest	09/25/2020	FNMA Multi-Family			5,955.30	5,955.30
38665	COMM	3136B1XP4	FNMAM 3.56% MAT	Redemption	09/25/2020	FNMA Multi-Family		58,867.65		58,867.65
38666	COMM	3137AYCE9		Interest	09/25/2020	FHLMC Multi-Family			26,250.08	26,250.08
38666	COMM	3137AYCE9		Redemption	09/25/2020	FHLMC Multi-Family		475,466.62		475,466.62
38744	COMM	3137AYCE9		Interest	09/25/2020	FHLMC Multi-Family			44,700.00	44,700.00
38744	COMM	3137AYCE9		Redemption	09/25/2020	FHLMC Multi-Family		809,937.20		809,937.20
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Interest	09/25/2020	FHLMC Multi-Family			12,176.25	12,176.25
38854	COMM	3137B4WB8	FHLMCM 3.06% MAT	Redemption	09/25/2020	FHLMC Multi-Family		150,506.56		150,506.56
38864	COMM	3137B5JM6	FHLMCM 3.531%	Interest	09/25/2020	FHLMC Multi-Family			29,425.00	29,425.00
38864	COMM	3137B5JM6	FHLMCM 3.531%	Redemption	09/25/2020	FHLMC Multi-Family		318,072.63		318,072.63
38945	COMM	3137B3NA2	FHLMC REMIC	Interest	09/25/2020	FHLMC Multi-Family			28,723.99	28,723.99
38945	COMM	3137B3NA2	FHLMC REMIC	Redemption	09/25/2020	FHLMC Multi-Family		360,637.27		360,637.27
39026	COMM	3137B5KW2	FHLMCM 3.458%	Interest	09/25/2020	FHLMC Multi-Family			28,816.67	28,816.67
39026	COMM	3137B5KW2	FHLMCM 3.458%	Redemption	09/25/2020	FHLMC Multi-Family		309,444.33		309,444.33

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Interest	09/25/2020	FNMA Multi-Family			68,464.40	68,464.40
39150	COMM	31381TYT1	FNMAM 2.75% MAT	Redemption	09/25/2020	FNMA Multi-Family		64,099.62		64,099.62
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Interest	09/25/2020	FNMA Multi-Family			46,512.45	46,512.45
39158	COMM	31381RZ23	FNMAM 3.84% MAT	Redemption	09/25/2020	FNMA Multi-Family		27,519.03		27,519.03
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	09/25/2020	FNMA Multi-Family			38,122.81	38,122.81
39218	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	09/25/2020	FNMA Multi-Family		20,847.07		20,847.07
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Interest	09/25/2020	FNMA Multi-Family			6,363.58	6,363.58
39219	COMM	31381RLL6	FNMAM 3.84% MAT	Redemption	09/25/2020	FNMA Multi-Family		3,479.85		3,479.85
39295	COMM	3137B04Y7	FHLMCM 2.615%	Interest	09/25/2020	FHLMC Multi-Family			58,837.51	58,837.51
39295	COMM	3137B04Y7	FHLMCM 2.615%	Redemption	09/25/2020	FHLMC Multi-Family		997,139.72		997,139.72
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Interest	09/25/2020	FNMA Multi-Family			53,173.61	53,173.61
39319	COMM	3138LGKH8	FNMAM 2.47% MAT	Redemption	09/25/2020	FNMA Multi-Family		699,479.46		699,479.46
39457	COMM	3138EKX67	FNMAM 2.537% MAT	Interest	09/25/2020	FNMA Multi-Family			22,748.19	22,748.19
39457	COMM	3138EKX67	FNMAM 2.537% MAT	Redemption	09/25/2020	FNMA Multi-Family		23,357.67		23,357.67
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Interest	09/25/2020	FNMA Multi-Family			31,351.34	31,351.34
39587	COMM	3138LEYD7	FNMAM 1.97% MAT	Redemption	09/25/2020	FNMA Multi-Family		31,124.23		31,124.23
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Interest	09/25/2020	FNMA Multi-Family			9,256.94	9,256.94
39609	COMM	3138LGFF8	FNMAM 2.15% MAT	Redemption	09/25/2020	FNMA Multi-Family		142,088.14		142,088.14
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Interest	09/25/2020	FNMA Multi-Family			13,273.70	13,273.70
39632	COMM	3138L2BU0	FNMAM 2.31% MAT	Redemption	09/25/2020	FNMA Multi-Family		13,155.68		13,155.68
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Interest	09/25/2020	FHLMC Multi-Family			40,457.57	40,457.57
39654	COMM	3137BP4J5	FNMAM 2.446% MAT	Redemption	09/25/2020	FHLMC Multi-Family		251,542.08		251,542.08
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Interest	09/25/2020	FNMA Multi-Family			11,151.39	11,151.39
39734	COMM	3138L0U90	FNMAM 2.59% MAT	Redemption	09/25/2020	FNMA Multi-Family		223,355.30		223,355.30
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Interest	09/25/2020	FNMA Multi-Family			12,047.40	12,047.40
39735	COMM	31381VBJ3	FNMAM 2.83% MAT	Redemption	09/25/2020	FNMA Multi-Family		12,125.70		12,125.70
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Interest	09/25/2020	FNMA Multi-Family			15,910.91	15,910.91
39844	COMM	3138L0RM5	FNMAM 2.135% MAT	Redemption	09/25/2020	FNMA Multi-Family		21,071.96		21,071.96
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Interest	09/25/2020	BMW VEHICLE			27,600.00	27,600.00
39861	COMM	05588CAC6	BMWOT 1.92% MAT	Redemption	09/25/2020	BMW VEHICLE		441,421.10		441,421.10
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Interest	09/25/2020	FNMA Multi-Family			24,470.56	24,470.56
40056	COMM	3136A9MN5	FNMAM 2.301% MAT	Redemption	09/25/2020	FNMA Multi-Family		797,676.52		797,676.52
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Interest	09/25/2020	FNMA Multi-Family			13,456.06	13,456.06
40293	COMM	3138L0RC7	FNMAM 2.35% MAT	Redemption	09/25/2020	FNMA Multi-Family		13,335.08		13,335.08
40385	COMM	3137BUWM6	FHLMCM 2.932%	Interest	09/25/2020	FHLMC Multi-Family			75,890.08	75,890.08
40385	COMM	3137BUWM6	FHLMCM 2.932%	Redemption	09/25/2020	FHLMC Multi-Family		922,911.02		922,911.02
40390	COMM	3137BHCY1	FHLMCM 2.811%	Interest	09/25/2020	FHLMC Multi-Family			24,807.08	24,807.08
40390	COMM	3137BHCY1	FHLMCM 2.811%	Redemption	09/25/2020	FHLMC Multi-Family		254,355.55		254,355.55
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Interest	09/25/2020	FNMA Multi-Family			36,986.10	36,986.10
40511	COMM	3136AXVB8	FNMAM 2.646% MAT	Redemption	09/25/2020	FNMA Multi-Family		446,581.89		446,581.89

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Interest	09/25/2020	FNMA Multi-Family			1,636.99	1,636.99
40517	COMM	3138L0RM5A	FNMAM 2.135% MAT	Redemption	09/25/2020	FNMA Multi-Family		2,167.98		2,167.98
40526	COMM	3137BSP64	FHLMCM 2.34% MAT	Interest	09/25/2020	FHLMC Multi-Family			33,689.86	33,689.86
40526	COMM	3137BSP64	FHLMCM 2.34% MAT	Redemption	09/25/2020	FHLMC Multi-Family		103,872.80		103,872.80
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Interest	09/25/2020	FHLMC Multi-Family			18,883.79	18,883.79
40527	COMM	3132XHM68	FHLMCM 1.1% MAT	Redemption	09/25/2020	FHLMC Multi-Family		31,231.40		31,231.40
40530	COMM	09661RAD3	BMWOT 0.48% MAT	Interest	09/25/2020	BMW VEHICLE			3,400.00	3,400.00
40530	COMM	09661RAD3	BMWOT 0.48% MAT	Redemption	09/25/2020	BMW VEHICLE		171,109.07		171,109.07
40539	COMM	3137BKGH7	FHLMCM 2.712%	Interest	09/25/2020	FHLMC Multi-Family			12,439.40	12,439.40
40539	COMM	3137BKGH7	FHLMCM 2.712%	Redemption	09/25/2020	FHLMC Multi-Family		81,324.09		81,324.09
40540	COMM	3137FUZN7	FHLMCM 0.526%	Interest	09/25/2020	FHLMC Multi-Family			1,749.26	1,749.26
40540	COMM	3137FUZN7	FHLMCM 0.526%	Redemption	09/25/2020	FHLMC Multi-Family		9,342.00		9,342.00
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Interest	09/25/2020	FNMA Multi-Family			50,650.36	50,650.36
40541	COMM	3138L7CU8	FNMAM 2.95% MAT	Redemption	09/25/2020	FNMA Multi-Family		36,386.37		36,386.37
		Totals for 09/25/2020					315,864,820.10	267,351,266.16	1,338,424.29	-47,175,129.65
40619	COMM	313384H77A	FHDN DISC NOTE	Purchase	09/28/2020	FHLB DISCOUNT	199,999,777.76			-199,999,777.76
40620	COMM	3137EAEV7	FEDERAL HOME LN	Purchase	09/28/2020	FHLMC NOTES	25,023,673.61			-25,023,673.61
40621	COMM	5148X0JV8	LANDES DISC NOTE	Purchase	09/28/2020	LANDES	99,999,777.78			-99,999,777.78
40618	COMM	30229ATJ8	XON ZERO CPN MAT	Purchase	09/28/2020	Exxon Mobil Group	49,930,597.22			-49,930,597.22
38033	COMM	3130ACE26	FEDERAL HOME	Redemption	09/28/2020	FHLB NOTES		22,000,000.00		22,000,000.00
38055	COMM	3134GBF64	FEDERAL HOME LN	Redemption	09/28/2020	FHLMC NOTES		6,000,000.00		6,000,000.00
40615	COMM	5148X0JU0	LANDES DISC NOTE	Redemption	09/28/2020	LANDES		100,000,000.00		100,000,000.00
40617	COMM	63873JJU5	NATXNY DISC NOTE	Redemption	09/28/2020	Natixis NY Branch		100,000,000.00		100,000,000.00
38033	COMM	3130ACE26	FEDERAL HOME	Interest	09/28/2020	FHLB NOTES			151,250.00	151,250.00
38055	COMM	3134GBF64	FEDERAL HOME LN	Interest	09/28/2020	FHLMC NOTES			48,000.00	48,000.00
39357	COMM	3133EKEW2	FEDERAL FARM CR	Interest	09/28/2020	FFCB NOTES			228,000.00	228,000.00
		Totals for 09/28/2020					374,953,826.37	228,000,000.00	427,250.00	-146,526,576.37
40622	COMM	13606CH64	CIBCNY 0.24% MAT	Purchase	09/29/2020	Canadian IMP BK	50,000,000.00			-50,000,000.00
40623	COMM	362569AC9	GMALT 0.45% MAT	Purchase	09/29/2020	GM Fin'cl Auto Leasi	8,499,185.70			-8,499,185.70
40624	COMM	5148X0JW6	LANDES DISC NOTE	Purchase	09/29/2020	LANDES	99,999,805.56			-99,999,805.56
38057	COMM	3137EAEJ4	FEDERAL HOME LN	Redemption	09/29/2020	FHLMC NOTES		15,000,000.00		15,000,000.00
40513	COMM	3133ELE42	FFCB 0.8% MAT	Redemption	09/29/2020	FFCB NOTES		19,990,000.00		19,990,000.00
40513	COMM	3133ELE42	FFCB 0.8% MAT	Cap G/L	09/29/2020	FFCB NOTES		10,000.00		10,000.00
40619	COMM	313384H77A	FHDN DISC NOTE	Redemption	09/29/2020	FHLB DISCOUNT		200,000,000.00		200,000,000.00
40621	COMM	5148X0JV8	LANDES DISC NOTE	Redemption	09/29/2020	LANDES		100,000,000.00		100,000,000.00
37018	COMM	3133EGWH4	FEDERAL FARM CR	Interest	09/29/2020	FFCB NOTES			64,000.00	64,000.00
37518	COMM	3134GBBM3	FEDERAL HOME LN	Interest	09/29/2020	FHLMC NOTES			250,000.00	250,000.00
38057	COMM	3137EAEJ4	FEDERAL HOME LN	Interest	09/29/2020	FHLMC NOTES			121,875.00	121,875.00
40513	COMM	3133ELE42	FFCB 0.8% MAT	Interest	09/29/2020	FFCB NOTES			52,000.00	52,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
40513	COMM	3133ELE42	FFCB 0.8% MAT	Accr Int	09/29/2020	FFCB NOTES		6,666.67	-6,666.67	0.00
		Totals for 09/29/2020					158,498,991.26	335,006,666.67	481,208.33	176,988,883.74
40625	COMM	3134GWUD6	FEDERAL HOME LN	Purchase	09/30/2020	FHLMC NOTES	15,000,000.00			-15,000,000.00
40626	COMM	3134GWWR3	FEDERAL HOME LN	Purchase	09/30/2020	FHLMC NOTES	24,500,000.00			-24,500,000.00
40627	COMM	912796UC1	UNITED STATES	Purchase	09/30/2020	U.S. TREASURY	49,984,166.67			-49,984,166.67
40209	COMM	3134GUK66	FEDERAL HOME LN	Redemption	09/30/2020	FHLMC NOTES		8,790,000.00		8,790,000.00
40378	COMM	2546R2JW7	WALTPP ZERO CPN	Redemption	09/30/2020	Walt Disney Company		30,000,000.00		30,000,000.00
40624	COMM	5148X0JW6	LANDES DISC NOTE	Redemption	09/30/2020	LANDES		100,000,000.00		100,000,000.00
34292	COMM	SYS34292	MSTI 0.%	Redemption	09/30/2020	MORGAN STANLEY		250,086,421.09		250,086,421.09
40209	COMM	3134GUK66	FEDERAL HOME LN	Interest	09/30/2020	FHLMC NOTES			87,900.00	87,900.00
40431	COMM	3133ELUX0	FEDERAL FARM CR	Interest	09/30/2020	FFCB NOTES			50,000.00	50,000.00
		Totals for 09/30/2020					89,484,166.67	388,876,421.09	137,900.00	299,530,154.42
		Grand Total					5,831,237,488.9	7,123,978,982.6	38,158,921.45	1,330,900,415.0

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APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this appendix has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Series 2021 Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Series 2021 Bonds, or that they will so do on a timely basis or that DTC, DTC Direct Participants or DTC Indirect Participants will act in the manner described in this Official Statement.

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series 2021 Bonds (the "Securities"). The Securities 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 Security certificate will be issued for each maturity of the Securities, in the aggregate principal amount of such issue, and will be deposited with DTC. If, however, the aggregate principal amount of any issue 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.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("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 Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their

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

4. To facilitate subsequent transfers, all Securities 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 Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities 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 Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities 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 any other DTC nominee) will consent or vote with respect to the Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the District or the 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, the Paying Agent or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, 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 the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the

event that a successor depository is not obtained, Security certificates 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, Security 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 the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.