

NEW ISSUE - FULL BOOK-ENTRY

INSURED BONDS RATING: S&P: "AA"
UNDERLYING/UNINSURED BONDS RATINGS: S&P: "A+"
Moody's: "A1"
See "RATINGS" herein.

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

\$3,250,000

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2016, Series D

\$24,435,000

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2021 Refunding General Obligation Bonds

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

Authority and Purpose. The captioned bonds (together, the "Bonds") are being issued by the San Leandro Unified School District (the "District") of Alameda County (the "County"), California, pursuant to applicable provisions of the California Government Code and two separate resolutions adopted by the Board of Education of the District on March 9, 2021. The General Obligation Bonds, Election of 2016, Series D (the "Series D Bonds") were authorized at an election of the registered voters of the District held on November 8, 2016, which authorized the issuance of \$104,000,000 principal amount of general obligation bonds for the purpose of financing improvements to school facilities and the acquisition of equipment (the "2016 Bond Authorization"). The Series D Bonds are being issued to finance certain school facility improvements of the District and pay related costs of issuance. The captioned 2021 Refunding General Obligation Bonds (the "Refunding Bonds") are being issued by the District for the purpose of refinancing on a current basis certain outstanding general obligation bonds of the District as more particularly identified herein and paying related costs of issuance. See "THE FINANCING AND REFINANCING PLAN" and "THE BONDS – Authority for Issuance" herein.

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

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

Payments. The Bonds are dated the date of delivery and will accrue interest at the rates set forth on the inside cover page hereof, payable semiannually on each February 1 and August 1 until maturity, commencing August 1, 2021. Payments of principal of and interest on the Bonds will be made by U.S. Bank National Association, as the designated paying agent, registrar and transfer agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS - Description of the Bonds."

Redemption. The Series D Bonds are not subject to redemption prior to maturity. The Refunding Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Optional Redemption."

Bond Insurance. Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy (the "Policy") for the Bonds. The Policy guarantees the scheduled payment of principal of and interest on the Bonds maturing August 1, 2023 through August 1, 2035, inclusive (collectively, the "Insured Bonds") when due as set forth in the form of the Policy included as Appendix H to this Official Statement. See "BOND INSURANCE" and "APPENDIX H."



MATURITY SCHEDULE

(See inside cover)

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

The Bonds will be offered when, as and if issued and accepted by the Underwriter, subject to the approval as to legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel to the District, and subject to certain other conditions. Jones Hall is also serving as Disclosure Counsel to the District. Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is serving as counsel to the Underwriter. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC on or about May 6, 2021.

PIPER | SANDLER

The date of this Official Statement is April 14, 2021.

MATURITY SCHEDULES

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2016, Series D

Base CUSIP[†]: 798458

Maturity Date	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]
2023	\$150,000	2.000%	0.250%	103.899	UP8
2024	900,000	2.000	0.380	105.205	UQ6
2025	1,000,000	2.000	0.530	106.149	UR4
2026	1,200,000	2.000	0.660	106.884	US2

[continued on the next page]

[†] CUSIP Copyright 2021, CUSIP Global Services is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Global Market Intelligence. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

MATURITY SCHEDULES
(continued)

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2021 Refunding General Obligation Bonds

Base CUSIP[†]: 798458

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†]
2021*	\$520,000	4.000%	0.140%	100.910	UT0
2022*	180,000	4.000	0.160	104.739	UU7
2023	160,000	4.000	0.200	108.473	UV5
2024	435,000	4.000	0.330	111.803	UW3
2025	520,000	4.000	0.480	114.742	UX1
2026	605,000	4.000	0.580	117.612	UY9
2027	700,000	4.000	0.710	120.033	UZ6
2028	795,000	4.000	0.840	122.138	VA0
2029	895,000	4.000	0.970	123.927	VB8
2030	1,005,000	4.000	1.100	125.401	VC6
2031	1,125,000	4.000	1.200	124.408 ^C	VD4
2032	1,250,000	4.000	1.310	123.327 ^C	VE2
2033	1,380,000	4.000	1.400	122.450 ^C	VF9
2034	7,100,000	4.000	1.450	121.966 ^C	VG7
2035	7,765,000	4.000	1.500	121.485 ^C	VH5

[†] CUSIP Copyright 2021, CUSIP Global Services is a registered trademark of American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of American Bankers Association by S&P Global Market Intelligence. Neither the District nor the Underwriter take any responsibility for the accuracy of the CUSIP data.

* Maturities which are not insured by the Policy described herein (the "Uninsured Bonds").

C: Priced to first call par on August 1, 2030.

**SAN LEANDRO UNIFIED SCHOOL DISTRICT
ALAMEDA COUNTY
STATE OF CALIFORNIA**

BOARD OF EDUCATION

Evelyn Gonzalez, *President*
Christian Rodriguez, *Vice President*
James Aguilar, *Clerk*
Peter Oshinski, *Member*
Diana Prola, *Member*
Leo Sheridan, *Member*
Monique Tate, *Member*

DISTRICT ADMINISTRATIVE STAFF

Michael McLaughlin, Ed.D., *Superintendent*
Kevin Collins, Ed.D., *Assistant Superintendent of Business and Operations*

PROFESSIONAL SERVICES

MUNICIPAL ADVISOR

Dale Scott & Company, Inc.
San Francisco, California

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

**BOND REGISTRAR, TRANSFER AGENT, PAYING AGENT
AND ESCROW AGENT**

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

UNDERWRITER'S COUNSEL

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

ESCROW VERIFICATION

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

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the District in any press release and in any oral statement made with the approval of an authorized officer of the District or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to", "will continue", "is anticipated", "estimate", "project," "forecast", "expect", "intend" and similar expressions identify "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, give rise to any implication that there has been no change in the affairs of the District or any other entity described or referenced herein since the date hereof.

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

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

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

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

Bond Insurance. Build America Mutual Assurance Company ("BAM" or the "Bond Insurer") makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, the Bond Insurer has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer, supplied by the Bond Insurer and presented under the heading "BOND INSURANCE" and in APPENDIX H.

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

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

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OFFICIAL STATEMENT

\$3,250,000

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2016, Series D

\$24,435,000

SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2021 Refunding General Obligation Bonds

The purpose of this Official Statement, which includes the cover page, inside cover page and attached appendices, is to set forth certain information concerning the sale and delivery of the captioned General Obligation Bonds, Election of 2016, Series D (the “**Series D Bonds**”) and the captioned 2021 Refunding General Obligation Bonds (the “**Refunding Bonds**”, and together with the Series D Bonds, the “**Bonds**”) by the San Leandro Unified School District (the “**District**”) of Alameda County (the “**County**”), State of California (the “**State**”).

INTRODUCTION

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

The District. The District was established in 1902 and comprises an area of approximately 350 square The District includes approximately 12.4 square miles in the central part of Alameda County (the “**County**”) and provides educational services for grades kindergarten through twelve to the residents of a portion of the City of San Leandro (the “**City**”) and portions of the City of Oakland. The District operates 8 elementary schools, 2 middle schools, one comprehensive high school, one continuation high school (with an Independent Study Program) and one adult school. The District’s enrollment for 2020-21 is 9,067 students. The total assessed value in the District in fiscal year 2020-21 is over \$14 billion. For more information regarding the District and its finances, see APPENDIX A and APPENDIX B hereto. See also APPENDIX C for demographic and other statistical information regarding the City of San Leandro the County.

Purposes. The net proceeds of the Series D Bonds will be used to finance school facility improvements and equipment as authorized by more than the requisite 55% of the voters of the District (the “**2016 Bond Authorization**”) at an election held in the District on November 8, 2016 (the “**Bond Election**”). The net proceeds of the Refunding Bonds will be used to refinance on a current basis certain general obligation bonds previously issued by the District. See “THE FINANCING AND REFINANCING PLAN” herein.

Authority for Issuance of the Bonds. The Bonds will be issued pursuant to the applicable provisions of the California Government Code and two separate resolutions adopted by the Board of Education of the District on March 9, 2021 (together, the “**Bond Resolutions**”). See “THE BONDS - Authority for Issuance” herein.

COVID-19 Statement. The COVID-19 pandemic has resulted in a public health crisis that is fluid and unpredictable with financial and economic impacts that cannot be predicted. As such,

investors are cautioned that the District cannot at this time predict the full impacts that the COVID-19 pandemic may have on its enrollment, average daily attendance, operations and finances, property values in the District, and economic activity in the District, the State and the nation, among others. For more disclosure regarding the COVID-19 emergency, see “SECURITY FOR THE BONDS – Disclosure Relating to COVID-19” herein. See also references to COVID-19 in the sections herein entitled “PROPERTY TAXATION”, and in APPENDIX B under the heading “GENERAL DISTRICT INFORMATION” and “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

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

Redemption. The Series D Bonds are not subject to redemption prior to maturity. The Refunding Bonds are subject to redemption prior to maturity as described herein. See “THE BONDS – Optional Redemption.”

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

The District has other series of general obligation bonds outstanding that are payable from *ad valorem* property taxes levied on taxable property in the District. See “DEBT SERVICE SCHEDULES” and “DISTRICT FINANCIAL INFORMATION – Long-Term Indebtedness - General Obligation Bonds” in APPENDIX B.

The District can make no representation regarding the affect that the current COVID-19 outbreak may have on the assessed valuation of property within the District. See “SECURITY FOR THE BONDS – Disclosure Relating to COVID-19.”

Bond Insurance. Concurrently with the issuance of the Bonds, BAM (as defined herein) will issue its Municipal Bond Insurance Policy (the “**Policy**”) for the Bonds maturing August 1, 2023 through August 1, 2035, inclusive (collectively, the “**Insured Bonds**”). The Policy guarantees the scheduled payment of principal and interest represented by the Insured Bonds when due, as set forth in the form of the Policy included as an appendix to this Official Statement. See “BOND INSURANCE” and APPENDIX H attached hereto.

Considerations Regarding Bond Insurance. In the event of a default in the payment of principal or interest on the Insured Bonds, when all or some becomes due, any Owner of a Bond may have a claim under the Policy. The Policy would not insure against redemption premium, if any, with respect to the Insured Bonds. In the event that BAM is unable to make payment of principal or interest on Insured Bonds as such payments become due under the Policy, the Insured Bonds will be payable solely as otherwise described herein. In the event that BAM becomes obligated to make payments on the Insured Bonds, no assurance can be given that

such event would not adversely affect the market price of the Insured Bonds or the marketability (liquidity) of the Insured Bonds.

Neither the District nor the Underwriter will make an independent investigation of the claims paying ability of BAM, and no assurance or representation regarding the financial strength or projected financial strength thereof is being made by the District, the School District or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Insured Bonds, potential investors should carefully consider the ability of the District to pay principal and interest on the Insured Bonds, assuming that the Policy is not available, and the claims-paying ability of BAM through final maturity of the Insured Bonds .

Tax Matters. Assuming compliance with certain covenants and provisions of the Internal Revenue Code of 1986, in the opinion of Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes. See "TAX MATTERS" herein.

Other Information. This Official Statement speaks only as of its date, and the information contained in this Official Statement is subject to change. Copies of documents referred to in this Official Statement and information concerning the Bonds are available by request to the Office of the District Superintendent at San Leandro Unified School District, 835 E. 14th Street, Room 200, San Leandro, California 94577, telephone: 510-667-3500. The District may impose a charge for copying, mailing and handling.

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THE FINANCING AND REFINANCING PLAN

As described herein, the net proceeds of the Series D Bonds will be used to finance school facility improvements, and to pay related costs of issuance. Proceeds of the Refunding Bonds will be used to refund certain maturities of outstanding bonds as more particularly described below, and to pay related costs of issuance.

The Series D Bonds

The proceeds of the Series D Bonds will be used to finance projects approved by the voters at the Bond Election, which authorized the issuance of \$104,000,000 principal amount of general obligation bonds for the purpose of financing the construction and improvement of school facilities, including equipment, together with related costs of issuing the Series D Bonds. The abbreviated form of the 2016 Bond Authorization is as follows:

“To repair leaky roofs, faulty plumbing and electrical systems; improve heating and ventilation; improve student safety by upgrading security lighting, emergency communications, fire alarms and sprinklers; upgrade classrooms, libraries and science labs; replace deteriorating portables; and provide facilities and equipment needed to support instruction in math, science, engineering, arts and technology; shall San Leandro Unified School District issue \$104,000,000 in bonds at legal interest rates, with citizens’ oversight, annual audits and all money benefiting San Leandro children?”

As part of the ballot materials presented to District voters at the Bond Election, the voters authorized a specific list of projects (the **“Project List”**) eligible to be funded with proceeds of bonds sold pursuant to the 2016 Bond Authorization, including the Series D Bonds described herein. The District makes no representation as to the specific application of the proceeds of the Series D Bonds, the completion of any projects listed on the Project List, or whether bonds authorized by the 2016 Bond Authorization will provide sufficient funds to complete any particular project listed in the Project List. The District has previously issued three series of bonds pursuant to the 2016 Bond Authorization in the combined amount of \$100,750,000. The Series D Bonds will be the fourth and final series of general obligation bonds issued pursuant to the 2016 Bond Authorization.

The Refunding Bonds

The Refunded Bonds. The Refunding Bonds are being issued by the District to refund on a current basis certain maturities of the following bonds (the **“Prior Bonds”**, and with respect to the maturities to be refunded, the **“Refunded Bonds”**):

- San Leandro Unified School District (Alameda County, California) General Obligation Bonds, Election of 2010, Series A originally issued in the aggregate principal amount of \$30,000,000 on May 24, 2011.

The Refunded Bonds are identified more particularly in the following table.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Identification of Refunded Bonds

Maturities Payable from Escrow (August 1)	Principal Amount	Interest Rate	Redemption Date	Redemption Price	CUSIP†
2022	\$295,000	4.000%	08/01/2021	100.0%	798458 LA1
2023	370,000	4.000	08/01/2021	100.0	798458 LB9
2024	445,000	4.250	08/01/2021	100.0	798458 LC7
2025	530,000	4.375	08/01/2021	100.0	798458 LD5
2026	615,000	4.500	08/01/2021	100.0	798458 LE3
2027	715,000	5.000	08/01/2021	100.0	798458 LF0
2028	820,000	5.000	08/01/2021	100.0	798458 LG8
2029	930,000	5.000	08/01/2021	100.0	798458 LH6
2030	1,050,000	5.000	08/01/2021	100.0	798458 LJ2
2031	1,180,000	5.000	08/01/2021	100.0	798458 LK9
2032	1,320,000	5.000	08/01/2021	100.0	798458 LL7
2033	1,465,000	5.200	08/01/2021	100.0	798458 LM5
2034	1,630,000	5.250	08/01/2021	100.0	798458 LN3
2035	1,800,000	5.250	08/01/2021	100.0	798458 LP8
2036	1,990,000	5.250	08/01/2021	100.0	798458 LQ6
2037	2,190,000	5.300	08/01/2021	100.0	798458 LS2
2041-T	11,075,000	5.750	08/01/2021	100.0	798458 LR4
Total:	\$28,420,000	--	--	--	--

T: Term Bonds

† CUSIP Copyright American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of McGraw Hill Companies, Inc. Neither the District nor the Underwriter is responsible for the accuracy of such data.

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

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

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

SOURCES AND USES OF FUNDS

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

SAN LEANDRO UNIFIED SCHOOL DISTRICT Sources and Uses

Sources of Funds	Series D Bonds	Refunding Bonds
Principal Amount of Bonds	\$3,250,000.00	\$24,435,000.00
Plus Original Issue Premium	196,791.50	5,150,911.60
Total Sources	\$3,446,791.50	\$29,585,911.60
Uses of Funds		
Deposit to Building Fund	\$3,216,000.00	--
Deposit to Escrow Fund	--	\$29,174,673.35
Deposit to Debt Service Fund	178,432.97	--
Costs of Issuance ⁽¹⁾	52,358.53	411,238.25
Total Uses	\$3,446,791.50	\$29,585,911.60

(1) Estimated costs of issuance include, but are not limited to, Underwriter's discount, printing costs, the premium for bond insurance, and fees of Bond Counsel, Disclosure Counsel, Municipal Advisor, the Paying Agent, and the rating agencies.

See also "APPLICATION OF PROCEEDS OF THE BONDS" herein.

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THE BONDS

Authority for Issuance

The Series D Bonds will be issued pursuant to the 2016 Authorization and under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, commencing with Section 53506 of said Code, and the applicable Bond Resolution authorizing the issuance of the Series D Bonds (the “**Series D Bond Resolution**”).

The Refunding Bonds will be issued under the provisions of the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, and the applicable Bond Resolution authorizing the issuance of the Refunding Bonds (the “**Refunding Bond Resolution**”).

Description of the Bonds

The Bonds mature in the years and in the amounts and bear interest at the rates per annum all as set forth on the inside cover page hereof. Interest shall be computed based on a 360-day year of twelve 30-day months. The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Purchasers will not receive physical certificates representing their interest in the Bonds. See “Book-Entry Only System” below and “APPENDIX F – DTC and the Book-Entry Only System.”

The Bonds will be issued in the denomination of \$5,000 principal amount each or any integral multiple thereof. Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing August 1, 2021 (each, an “**Interest Payment Date**”). Each Bond will bear interest from the Interest Payment Date next preceding the date of registration and authentication thereof unless (i) it is authenticated as of an Interest Payment Date, in which event it will bear interest from such date, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the 15th calendar day of the month preceding the Interest Payment Date (each, a “**Record Date**”), in which event it will bear interest from such Interest Payment Date, or (iii) it is authenticated prior to July 15, 2021, in which event it will bear interest from the date of delivery thereof identified on the cover page. Notwithstanding the foregoing, if interest on any Bond is in default at the time of authentication thereof, such Bond will bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon. Payments of principal of and interest on the Bonds will be paid by the Paying Agent to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds.

See the maturity schedules on the inside cover page of this Official Statement and “DEBT SERVICE SCHEDULES” herein.

Book-Entry Only System

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

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

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

Optional Redemption

Series D Bonds. The Series D Bonds are not subject to redemption prior to maturity.'

Refunding Bonds. The Refunding Bonds maturing on or before August 1, 2030 are not subject to redemption prior to maturity. The Refunding Bonds maturing on or after August 1, 2031 are subject to redemption prior to maturity, at the option of the District, in whole or in part among maturities on such basis as shall be designated by the District and by lot within a maturity, from any available source of funds, on August 1, 2030, or on any date thereafter, at a price equal to 100% of the principal amount thereof, without premium, together with accrued interest thereon to the redemption date.

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

Notice of Redemption

The Paying Agent will cause notice of any redemption to be mailed, first class mail, postage prepaid, at least 20 days but not more than 60 days prior to the date fixed for redemption, to the respective owners of any Bonds designated for redemption, at their addresses appearing on the registration books maintained by the Paying Agent. Such notice may be a conditional notice of redemption and subject to rescission as set forth below. Such notice shall state the redemption date and the redemption price and, if less than all of the then outstanding Bonds are to be called for redemption, shall designate the serial numbers of the Bonds to be redeemed by giving the individual number of each Bond or by stating that all Bonds between two stated numbers, both inclusive, or by stating that all of the Bonds of one or more maturities have been called for redemption, and shall require that such Bonds be then surrendered at the office of the Paying Agent for redemption at the said redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

From and after the date fixed for redemption, if notice of such redemption has been duly given and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, the Bonds called for redemption will cease to be entitled

to any benefit under the Bond Resolution other than the right to receive payment of the redemption price, and no interest will accrue thereon on or after the redemption date specified in the notice.

Partial Redemption of Bonds

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

Right to Rescind Notice of Optional Redemption

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

Registration, Transfer and Exchange of Bonds

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

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

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

No exchanges of Bonds shall be required to be made (a) fifteen days prior to an Interest Payment Date or the date established by the Paying Agent for selection of Bonds for redemption until the close of business on the Interest Payment Date or day on which the applicable notice of

redemption is given or (b) with respect to a Bond after such Bond has been selected or called for redemption in whole or in part.

Defeasance

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

- (a) by paying or causing to be paid the principal or redemption price of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Bond Resolution) to pay or redeem such Bonds; or
- (c) by delivering such Bonds to the Paying Agent for cancellation by it.

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

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

Upon the deposit, in trust, at or before maturity, of money or Federal Securities in the necessary amount (as described above) to pay or redeem any outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption has been given as provided in the Bond Resolution or provision satisfactory to the Paying Agent has been made for the giving of such notice, then all liability of the District in respect of such Bond will cease and be completely discharged, except only that thereafter the owner thereof will be entitled only to payment of the principal of and interest on such Bond by the District, and the District will remain liable for such

payment, but only out of such money or securities deposited with the Paying Agent for such payment.

As defined in the Bond Resolution, the term “**Federal Securities**” means (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), for which the full faith and credit of the United States of America are pledged; and (b) obligations of any agency, department or instrumentality of the United States of America, the timely payment of principal and interest on which are directly or indirectly secured or guaranteed by the full faith and credit of the United States of America.

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DEBT SERVICE SCHEDULES

The following tables show the annual debt service schedule with respect to the Bonds (assuming no optional redemptions).

SAN LEANDRO UNIFIED SCHOOL DISTRICT Series D Bonds Debt Service Schedule

Payment Date (August 1)	Principal	Interest	Total Debt Service
2021	--	\$15,347.22	\$15,347.22
2022	--	65,000.00	65,000.00
2023	\$150,000.00	65,000.00	215,000.00
2024	900,000.00	62,000.00	962,000.00
2025	1,000,000.00	44,000.00	1,044,000.00
2026	1,200,000.00	24,000.00	1,224,000.00
Total	\$3,250,000.00	\$275,347.22	\$3,525,347.22

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SAN LEANDRO UNIFIED SCHOOL DISTRICT
Refunding Bonds Debt Service Schedule

Payment Date (August 1)	Principal	Interest	Total Debt Service
2021	\$520,000.00	\$230,775.00	\$750,775.00
2022	180,000.00	956,600.00	1,136,600.00
2023	160,000.00	949,400.00	1,109,400.00
2024	435,000.00	943,000.00	1,378,000.00
2025	520,000.00	925,600.00	1,445,600.00
2026	605,000.00	904,800.00	1,509,800.00
2027	700,000.00	880,600.00	1,580,600.00
2028	795,000.00	852,600.00	1,647,600.00
2029	895,000.00	820,800.00	1,715,800.00
2030	1,005,000.00	785,000.00	1,790,000.00
2031	1,125,000.00	744,800.00	1,869,800.00
2032	1,250,000.00	699,800.00	1,949,800.00
2033	1,380,000.00	649,800.00	2,029,800.00
2034	7,100,000.00	594,600.00	7,694,600.00
2035	7,765,000.00	310,600.00	8,075,600.00
Total	\$24,435,000.00	\$11,248,775.00	\$35,683,775.00

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Combined General Obligation Bonds Debt Service. The District has other series of general obligation bonds and refunding bonds outstanding. The following table shows the combined debt service schedule with respect to the District's outstanding general obligation bonds and the Bonds, assuming no optional redemptions. See Appendix B under the heading "DISTRICT FINANCIAL INFORMATION – Long-Term Indebtedness" for additional information.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Combined General Obligation Bonds Debt Service Schedule

Period Ending (Aug. 1)	Outstanding GO Bonds Annual Debt Service	Bonds Annual Debt Service	Aggregate Annual Debt Service
2021	\$20,784,246.90	\$766,122.22	\$21,550,369.12
2022	27,255,552.28	1,201,600.00	28,457,152.28
2023	27,423,319.80	1,324,400.00	28,747,719.80
2024	22,065,269.52	2,340,000.00	24,405,269.52
2025	22,157,224.71	2,489,600.00	24,646,824.71
2026	20,614,429.06	2,733,800.00	23,348,229.06
2027	21,913,168.78	1,580,600.00	23,493,768.78
2028	21,732,962.52	1,647,600.00	23,380,562.52
2029	19,814,362.52	1,715,800.00	21,530,162.52
2030	19,534,387.52	1,790,000.00	21,324,387.52
2031	20,161,731.26	1,869,800.00	22,031,531.26
2032	19,933,556.26	1,949,800.00	21,883,356.26
2033	20,555,718.76	2,029,800.00	22,585,518.76
2034	15,804,818.76	7,694,600.00	23,499,418.76
2035	16,246,418.76	8,075,600.00	24,322,018.76
2036	25,415,543.76	--	25,415,543.76
2037	26,401,343.76	--	26,401,343.76
2038	27,411,793.76	--	27,411,793.76
2039	24,762,918.76	--	24,762,918.76
2040	13,726,256.26	--	13,726,256.26
2041	14,203,381.26	--	14,203,381.26
2042	14,697,306.26	--	14,697,306.26
2043	15,217,856.26	--	15,217,856.26
2044	3,617,018.76	--	3,617,018.76
2045	3,726,743.76	--	3,726,743.76
2046	3,836,200.00	--	3,836,200.00
TOTAL	\$489,013,530.01	\$39,209,122.22	\$528,222,652.23

APPLICATION OF PROCEEDS OF THE BONDS

Building Fund

Pursuant to the Series D Bond Resolution, the net proceeds from the sale of the Series D Bonds will be paid and credited to fund established and held by the Alameda County Treasurer (the “**County Treasurer**”) and designated as the “San Leandro Unified School District, Election of 2016, Series D Building Fund” (the “**Building Fund**”). Amounts credited to the Building Fund will be expended by the District for the purpose of financing any of the projects for which the Series D Bond proceeds are authorized to be expended under the bond authorization, including the capital facility and technology projects described therein, and further including all incidental expenses and related costs of issuance. All interest and other gain arising from the investment of proceeds of the Series D Bonds will be retained in the Building Fund and used for the purposes thereof. All moneys held in the Building Fund will be invested in accordance with the investment policies of the County, as such policies exist at the time of investment. Pursuant to the Bond Resolution and applicable provisions of the Education Code, a portion of the proceeds of the Series D Bonds may be deposited with a fiscal agent for the purpose of paying costs of issuance. See also “APPENDIX G - ALAMEDA COUNTY INVESTMENT POOL - INVESTMENT POLICY AND INVESTMENT REPORT” herein.

Debt Service Funds

As further described herein under the heading “SECURITY FOR THE BONDS - Debt Service Funds,” the County will establish debt service funds for each series of the Bonds (the “**Debt Service Funds**”). Accrued interest and premium, if any, received by the County from the sale of the Series D Bonds will be deposited in the Debt Service Fund for the Series D Bonds. Said funds, together with the collections of *ad valorem* property taxes, will be used only for payment of principal of and interest on the related series of the Bonds. Interest earnings on the investment of monies held in the Debt Service Funds will be retained in the applicable Debt Service Fund and used to pay the principal of and interest on applicable series of the Bonds when due. Pursuant to the Bond Resolutions, the District has pledged funds on deposit in each Debt Service Fund to the payment of the respective series of Bonds. Any moneys remaining in the Debt Service Funds after the applicable series of Bonds including the interest thereon have been paid, will be transferred to any other interest and sinking fund for general obligation bond indebtedness of the District, and in the event there is no such debt outstanding, will be transferred to the District’s general fund upon the order of the County Auditor, as provided in Section 15234 of the Education Code.

Escrow Fund

A portion of the proceeds of the Refunding Bonds will be deposited in escrow to provide for the redemption of the Refunded Bonds on the redemption date. See “THE FINANCING AND REFINANCING PLAN - Deposits to Escrow Fund” herein.

Investment of Proceeds of Bonds

All moneys held in any of the funds or accounts established with the County under the Bond Resolutions will be invested in Authorized Investments (as defined in the Bond Resolution) in accordance with the investment policies of the County, as such policies exist at the time of investment. Obligations purchased as an investment of moneys in any fund or account will be deemed to be part of such fund or account. All interest or gain derived from the investment of amounts in any of the funds or accounts established under the respective Bond Resolution will be deposited in the fund or account from which such investment was made, and will be expended for the purposes thereof.

In accordance with Government Code Section 53600 *et seq.*, the County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See "APPENDIX G - ALAMEDA COUNTY INVESTMENT POOL-INVESTMENT POLICY AND INVESTMENT REPORT."

SECURITY FOR THE BONDS

Ad Valorem Property Taxes

Bonds Payable from Ad Valorem Property Taxes. The Bonds are general obligations of the District, payable solely from *ad valorem* property taxes levied on taxable property in the District and collected by the County. The County is empowered and is obligated to annually levy *ad valorem* property taxes for the payment by the District of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation of rate or amount (except certain personal property which is taxable at limited rates).

Other Bonds Payable from Ad Valorem Property Taxes. The District has a number of general obligation bond issues outstanding which are payable from *ad valorem* property taxes on a parity basis. In addition to the general obligation bonds issued by the District, there is other debt issued by entities with jurisdiction in the District, which is payable from *ad valorem* property taxes levied on parcels in the District. See "PROPERTY TAXATION – Tax Rates" and "- Direct and Overlapping Debt" below.

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

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

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

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

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

Debt Service Funds

As previously described here (see "APPLICATION OF PROCEEDS OF THE BONDS – Debt Service Fund"), the County will establish the Debt Service Funds, into which will be deposited all taxes levied by the County for the payment by the District of the principal of and interest on the Bonds. The Debt Service Funds are pledged by the District for the payment by it of the principal of and interest and premium (if any) on the respective series of Bonds when and as the same become due. The County will transfer amounts in the Debt Service Funds to the Paying Agent to the extent necessary to enable the District to pay the principal of and interest and premium (if any) on the applicable series of Bonds as the same becomes due and payable.

Not a County Obligation

No part of any fund or account of the County is pledged or obligated to the payment of the Bonds. The Bonds are payable solely from the proceeds of an *ad valorem* property tax levied and collected by the County, for the payment by the District of principal of and interest on the Bonds. Although the County is obligated to collect the *ad valorem* property tax for the payment of the Bonds, the Bonds are not a debt (or a pledge of the full faith and credit) of the County.

Disclosure Relating to COVID-19

Background. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus ("COVID-19"), which was first detected in China and has spread to other countries, including the United States, was declared a pandemic by the World Health Organization, a national emergency by the President of the United States (the "President") and a state of emergency by the Governor of the State (the "Governor"). There has been tremendous volatility

in the markets in the United States and globally, resulting in the onset of a national and global recession.

Federal Response. The President's declaration of a national emergency on March 13, 2020 made available more than \$50 billion in federal resources to combat the spread of the virus. A multi-billion-dollar relief package was signed into law by the President on March 18, 2020, providing for Medicaid expansion, unemployment benefits and paid emergency leave during the crisis. In addition, the Federal Reserve lowered its benchmark interest rate to nearly zero, introduced a large bond-buying program and established emergency lending programs to banks and money market mutual funds.

On March 27, 2020, the United States Congress passed a \$2 trillion relief package, being the largest stimulus bill in history, referred to as the Coronavirus Aid, Relief, and Economic Security Act (the "**CARES Act**"). The package provided direct payments to taxpayers, jobless benefits, assistance to hospitals and healthcare systems, \$367 billion for loans to small businesses, a \$500 billion fund to assist distressed large businesses, including approximately \$30 billion for emergency grants to educational institutions and local educational agencies. This funding allocation included approximately \$13.5 billion in formula funding to make grants available to each state's educational agency in order to facilitate K-12 schools' responses to the COVID-19 pandemic.

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

On April 24, 2020, an additional \$484 billion federal aid package was signed, providing additional funding for the PPP, the SBA disaster assistance loans and grant program, hospital grants and funding for a COVID-19 testing program.

On December 27, 2020, the President signed the Coronavirus Response and Relief Supplemental Appropriations Act (the "**CRRSA Act**"), an additional \$900 billion federal relief package intended to follow and expand on provisions of the CARES Act. The second largest stimulus bill in history, the measure includes another round of direct stimulus payments to individuals and families, extends unemployment benefits, expands the PPP, and provides approximately \$82 billion in supplemental aid to support the educational needs of states, school districts, and institutions of higher education, among other stimulus measures.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 (the "**ARP Act**"), a \$1.9 trillion economic stimulus plan will provide another round of stimulus checks to individuals and families, extend federal supplemental unemployment benefits, provide more funding for state and local governments, expand subsidies for healthcare insurance, and provide additional funding for COVID-19 testing, vaccination, and treatment, among several other provisions that will affect many industries, businesses, and individuals. With respect to relief for educational agencies, grants of \$125.8 billion will be provided to states to support statewide and local funding for elementary and secondary schools and public postsecondary institutions. Funding can be used for a number of education-related expenses, including inspecting and improving school facilities to ensure adequate air quality, providing mental health services, reducing class sizes, implementing social distancing guidelines, and purchasing personal protective equipment. At least 20 percent of the funding will have to be used to address learning

loss, including through summer learning or enrichment, after-school programs, or extended-day or extended-year programs. States that receive the grants cannot reduce their spending levels on education as a proportion of their budgets during fiscal 2022 or 2023, compared with the average level from fiscal 2017 through 2019.

State Response. At the State level, on March 15, 2020, the Governor ordered the closing of California bars and nightclubs, the cancellation of gatherings of more than 250. On March 16, 2020, the State legislature passed \$1.1 billion in general purpose spending authority providing emergency funds to respond to the pandemic. On March 19, 2020, the Governor issued a state-wide blanket shelter-in-place order, ordering all California residents to stay home except for certain essential purposes. The restrictions began to be rolled back in May 2020 in accordance with State and local guidelines.

On August 28, 2020, the Governor released a system entitled “Blueprint for a Safer California” (the “**State Blueprint**”) aimed at reducing the spread of COVID-19. The State Blueprint places the State’s 58 counties into four color-coded tiers – purple, red, orange, and yellow, in descending order of severity – generally based on test positivity and adjusted case rate in the county. Each tier imposes restrictions on certain activities to reduce the spread. Tier 1 (Purple) is the most restrictive. Counties can be assigned to a tier any day of the week. The County is currently in the orange tier.

On February 23, 2021, the Governor signed legislation providing \$7.6 billion in State funding aimed at helping individuals and businesses that were not included in federal aid. It includes sending a \$600 rebate to low-income, disables and undocumented persons when 2020 taxes are filed, \$2 billion in grants to help small business, \$35 million for food and diaper banks and \$400 million in subsidies for childcare providers. It also reverses cuts made last summer to public universities and State courts when the State experienced a record-breaking budget deficit.

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak, the economic impacts and actions that may be taken by governmental authorities to contain the outbreak or to treat its impacts are uncertain and cannot be predicted. Additional information with respect to events surrounding the outbreak of COVID-19 and responses thereto can be found on State and local government websites, including but not limited to: the Governor’s office (<http://www.gov.ca.gov>) and the California Department of Public Health (<https://covid19.ca.gov/>). *The District has not incorporated by reference the information on such websites, and the District does not assume any responsibility for the accuracy of the information on such websites.*

Impacts of COVID-19 Pandemic on Global and Local Economies Cannot be Predicted; Potential Declines in State and Local Revenues. The COVID-19 public health emergency is altering the behavior of businesses and people in a manner that will have negative impacts on global and local economies, including the economy of the State. A substantial increase in unemployment and a decline in State revenues including derived from personal income tax receipts have occurred. The District cannot predict the short or long term impacts the COVID-19 emergency and the responses of federal, State or local governments thereto, will have on global, State-wide and local economies, which could impact District operations and finances, and local property values. For more detail regarding the State’s current budget, and related reports and outlooks, see Appendix B under the heading “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

In addition, the District cannot predict the legislative changes that might result as a result of the COVID-19 pandemic which could impact its operations and finances. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed an executive order suspending penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. See “PROPERTY TAXATION – Property Tax Collection Procedures – Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes.”

Impact of COVID-19 Pandemic on Education. The State’s and other local (if any) shelter-in-place orders suspended in-person classroom instruction throughout schools in the State from March 2020 through the end of the academic year. School districts in the State generally commenced the 2020-21 academic year in accordance with the Governor’s order of July 17, 2020 (Pandemic Plan for Learning and Safe Schools) and the State’s Blueprint. Under the State’s Blueprint, schools located in counties in Tier 2 or lower were permitted to have in-person instruction under certain conditions. In addition, K-6 schools could apply for and be granted a waiver and permitted to conduct in-person education based on satisfying certain required criteria.

On March 13, 2020, the Governor issued Executive Order N-26-20 Governor which established a streamlined process for school closures in response to COVID-19, providing for continued State funding to support distance learning or independent study, subsidized school meals to low-income students, and continuing payment for school district employees, among other measures. In addition, Senate Bill 117 (March 17, 2020) was approved and addressed attendance issues and instructional hour requirements, among other items, and effectively holds school districts harmless from funding losses that could result from these issues under the State’s education funding formulas. See Appendix B under the heading “DISTRICT FINANCIAL INFORMATION – Education Funding Generally.” In addition, federal funding to school districts was made available to most school districts under the CARES Act and the CRRSA Act.

On December 30, 2020, the Governor announced the Safe Schools for All Plan (“**SSFA Plan**”), a plan aimed at incentivizing schools to offer in-person learning. Some portions of the SSFA Plan went into effect immediately, however on March 4, 2021 the legislature passed and on March 5, 2021 the Governor signed Senate and Assembly Bill 86, reaching an agreement on a school reopening plan, with the stated intent that schools offer in-person instruction to the greatest extent possibly during the 2020-21 fiscal year. The plan provides schools with financial incentives totaling \$2 billion to offer in-person instruction beginning on April 1 to students with extra needs or requiring special attention and, for students in some grades, depending on what tier their county is in under the State Blueprint. Funding is allocated based on LCFF funding. For districts not offering in-person instruction by April 1, funds decrease by one percent for each instructional day that schools are not open through May 15 (not including scheduled vacation days) and after May 15, eligibility ceases. Funds obtained must primarily be spent on purposes consistent with providing in-person instruction, including COVID-19 testing, cleaning, personal protective equipment, facility needs, staffing costs, and social and mental health supports provided in conjunction with in-person instruction. Districts must continue to offer distance learning options.

Information on the District’s response to the COVID-19 pandemic can be found in Appendix B under the heading “GENERAL INFORMATION - District’s Response to COVID-19 Pandemic.”

Impacts of COVID-19 Emergency Uncertain. The possible impacts that the COVID-19 pandemic might have on the District's finances, programs, credit ratings on its debt obligations, local property values and the economy in general are uncertain at this time. In addition, there may be unknown consequences of the COVID-19 pandemic, which the District is unable to predict.

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

PROPERTY TAXATION

Property Tax Collection Procedures

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

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

Property taxes are levied for each fiscal year on taxable real and personal property situated in the taxing jurisdiction as of the preceding January 1. A bill enacted in 1983, SB813 (Statutes of 1983, Chapter 498), however, provided for the supplemental assessment and taxation of property as of the occurrence of a change of ownership or completion of new construction. Thus, this legislation eliminated delays in the realization of increased property taxes from new assessments. As amended, SB813 provided increased revenue to taxing jurisdictions to the extent that supplemental assessments of new construction or changes of ownership occur subsequent to the January 1 lien date and result in increased assessed value.

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

Waiver of State Laws Relating to Penalties for Non-Payment of Property Taxes. In an attempt to mitigate the effects of the COVID-19 pandemic on State property taxpayers, on May 6, 2020, the Governor signed Executive Order N-61-20 ("**Order N-61-20**"). Under Order N-61-20, certain provisions of the State Revenue and Taxation Code are suspended until May 6, 2021 to the extent said provisions require a tax collector to impose penalties, costs or interest for the failure to pay secured or unsecured property taxes, or to pay a supplemental bill, before the date that such taxes become delinquent. Said penalties, costs and interest shall be cancelled under the conditions provided for in Order N-61-20, including if the property is residential real property occupied by the taxpayer or the real property qualifies as a small business under certain State laws, the taxes were not delinquent prior to March 4, 2020, the taxpayer files a claim for relief with the tax collector, and the taxpayer demonstrates economic hardship or other circumstances that have arisen due to the COVID-19 pandemic or due to a local, state, or federal governmental response to the COVID-19 pandemic.

Disclaimer Regarding Property Tax Collection Procedures. The property tax collection procedures described above are subject to amendment based on legislation or executive order, including Order N-61-20, which may be enacted by the State legislature or declared by the Governor from time to time. The District cannot predict the impact of Order N-61-20 on property tax revenues in the County or the District, whether future amendments or orders will occur, and what impact, if any, said future amendments or orders could have on the procedures relating to the levy and collection of property taxes, and related interest and penalties.

Taxation of State-Assessed Utility Property

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

Assessed Valuation

Assessed Valuation History. The table below shows a recent history of the District's assessed valuation as of the date the equalized assessment tax roll is established in August of each year, excluding any exemptions granted after such date in each year.

SAN LEANDRO UNIFIED SCHOOL DISTRICT Assessed Valuations Fiscal Year 2006-07 through Fiscal Year 2020-21

Fiscal Year	Local Secured	Utility	Unsecured	Total	Percent Change
2006-07	\$7,317,048,283	\$4,969,893	\$1,244,784,886	\$8,566,803,062	--
2007-08	7,815,158,726	1,450,187	1,339,229,332	9,155,838,245	6.9%
2008-09	8,227,713,627	1,450,187	1,426,996,506	9,656,160,320	5.5
2009-10	7,881,536,752	1,450,187	1,277,336,461	9,160,323,400	(5.1)
2010-11	7,840,252,345	1,530,805	1,149,591,658	8,991,374,808	(1.8)
2011-12	7,897,225,670	1,530,805	1,121,208,822	9,019,965,297	0.32
2012-13	8,351,661,910	1,530,805	1,085,620,246	9,438,812,961	4.6
2013-14	8,871,526,705	1,530,805	1,175,332,422	10,048,389,932	6.5
2014-15	8,724,085,470	1,688,672	1,202,206,448	9,927,980,590	(1.2)*
2015-16	9,385,757,755	1,688,672	1,191,559,565	10,579,005,992	6.6
2016-17	9,773,440,516	1,688,672	1,501,109,880	11,276,239,068	6.6
2017-18	10,374,251,905	2,689,000	1,581,368,261	11,958,309,166	6.0
2018-19	10,982,014,862	2,689,000	1,842,424,401	12,827,128,263	7.3
2019-20	11,722,971,554	2,689,000	1,905,807,924	13,631,468,478	5.5
2020-21	12,305,990,872	2,689,000	1,838,559,682	14,147,239,554	3.8

*Decrease attributed to property tax exemption granted to Kaiser Foundation Hospitals for new hospital opened in 2014.

Source: California Municipal Statistics, Inc.

Factors Relating to Increases/Decreases in Assessed Value. Economic Conditions; Disasters. As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and man-made or natural disasters such as earthquakes, fires, floods and drought. Seismic activity is also a risk in the region where the District is located. Notable natural disasters in recent years include drought conditions throughout the State, which ended in 2017 due to record-level precipitation in late 2016 and early 2017, and wildfires in different regions of the State, and related flooding and mudslides. The most destructive of the recent wildfires, which have burned thousands of acres and destroyed thousands of homes and structures, have originated in wildlands adjacent to urban areas. In addition, according to the U.S. Drought Monitor, as of March 2021, parts of the State, including within the County, are experiencing moderate to extreme drought conditions. The District cannot predict or make any representations regarding the effects that wildfires, droughts, or any other type of natural or manmade disasters, including the COVID-19 pandemic (see next paragraph), and related conditions have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have on economic activity in the District or throughout the State.

Currently the world is experiencing a global pandemic as a result of the outbreak of COVID-19 which has resulted in an economic recession that could cause general marked declines in property values. For disclosure relating to the COVID-19 pandemic, see also "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

The District cannot predict or make any representations regarding the effects that any disasters and related conditions, have or may have on the value of taxable property within the District, or to what extent the effects said disasters might have had on economic activity in the District or throughout the State.

Assessed Valuation by Land Use. The table below shows the land use of property within the District, as measured by assessed valuation and the number of parcels.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2020-21

	2020-21	% of	No. of	% of
<u>Non-Residential:</u>	<u>Assessed Valuation(1)</u>	<u>Total</u>	<u>Parcels</u>	<u>Total</u>
Commercial	\$1,509,659,496	12.27%	740	3.61%
Vacant Commercial	30,390,048	0.25	61	0.30
Industrial	2,389,529,318	19.42	621	3.03
Vacant Industrial	282,099,195	2.29	68	0.33
Recreational	1,666,784	0.01	3	0.01
Government/Social/Institutional	7,989,646	0.06	449	2.19
Subtotal Non-Residential	\$4,221,334,487	34.30%	1,942	9.49%
<u>Residential:</u>				
Single Family Residence	\$6,233,861,816	50.66%	14,857	72.57%
Condominium/Townhouse	640,949,556	5.21	2,052	10.02
Mobile Home	892,815	0.01	69	0.34
Mobile Home Park	25,173,733	0.20	5	0.02
2-4 Residential Units	472,768,765	3.84	1,123	5.49
5+ Residential Units/Apartments	697,756,093	5.67	297	1.45
Vacant Residential	13,253,608	0.11	129	0.63
Subtotal Residential	\$8,084,656,385	65.70%	18,532	90.51%
Total	\$12,305,990,872	100.00%	20,474	100.00%

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

Assessed Valuation of Single-Family Residential Parcels. The table below shows the breakdown of the assessed valuations of improved single-family residential parcels in the District, including the median and average assessed value per parcel.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Per Parcel 2020-21 Assessed Valuation of Single Family Homes

	<u>No. of Parcels</u>	<u>2020-21 Assessed Valuation</u>	<u>Average Assessed Valuation</u>	<u>Median Assessed Valuation</u>
Single Family Residential	14,857	\$6,233,861,816	\$419,591	\$396,287

<u>2020-21 Assessed Valuation</u>	<u>No. of Parcels (1)</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>	<u>Total Valuation</u>	<u>% of Total</u>	<u>Cumulative % of Total</u>
\$0 - \$49,999	44	0.296%	0.296%	1,632,199	0.026%	0.026%
\$50,000 - \$99,999	1,469	9.888	10.184	109,484,261	1.756	1.782
\$100,000 - \$149,999	617	4.153	14.337	76,624,591	1.229	3.012
\$150,000 - \$199,999	693	4.664	19.001	121,000,589	1.941	4.953
\$200,000 - \$249,999	1,034	6.960	25.961	234,850,166	3.767	8.720
\$250,000 - \$299,999	1,344	9.046	35.007	369,013,229	5.919	14.639
\$300,000 - \$349,999	1,150	7.740	42.748	373,047,434	5.984	20.624
\$350,000 - \$399,999	1,145	7.707	50.454	429,299,642	6.887	27.510
\$400,000 - \$449,999	1,042	7.014	57.468	441,798,150	7.087	34.597
\$450,000 - \$499,999	1,047	7.047	64.515	497,566,938	7.982	42.579
\$500,000 - \$549,999	893	6.011	70.526	468,157,402	7.510	50.089
\$550,000 - \$599,999	874	5.883	76.408	502,552,101	8.062	58.151
\$600,000 - \$649,999	824	5.546	81.955	515,199,551	8.265	66.415
\$650,000 - \$699,999	728	4.900	86.855	490,705,125	7.872	74.287
\$700,000 - \$749,999	637	4.288	91.142	459,828,303	7.376	81.663
\$750,000 - \$799,999	429	2.888	94.030	331,375,388	5.316	86.979
\$800,000 - \$849,999	321	2.161	96.190	264,316,684	4.240	91.219
\$850,000 - \$899,999	189	1.272	97.462	164,983,849	2.647	93.865
\$900,000 - \$949,999	141	0.949	98.412	129,823,308	2.083	95.948
\$950,000 - \$999,999	93	0.626	99.037	90,733,137	1.455	97.403
\$1,000,000 and greater	143	0.963	100.000	161,869,769	2.597	100.000
	14,857	100.000%		\$6,233,861,816	100.000%	

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

Reassessments and Appeals of Assessed Value

Reassessment or appeals of assessed values could adversely impact property tax revenues within the District.

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

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as

residential home prices) cause the property to be worth less than its current assessed value. Proposition 8 reductions may also be unilaterally applied by the County Assessor.

Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. These reductions are subject to yearly reappraisals and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIII A.

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

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

Tax Rates

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in Tax Rate Area 10-001 (a typical tax rate area in the District) for recent fiscal years. The 2020-21 assessed valuation of TRA 10-001 is \$3,751,573,777.

SAN LEANDRO UNIFIED SCHOOL DISTRICT Typical Total Tax Rates per \$100 of Assessed Valuation (TRA 10-001)

	2016-17	2017-18	2018-19	2019-20	2020-21
General	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Alameda County	-	-	-	-	.0036
San Leandro Unified School District	0.1179	0.1406	0.1335	.1325	.1770
Chabot-Las Positas Community College District	0.0246	0.0445	0.0443	.0422	.0214
Bay Area Rapid Transit District	0.0080	0.0084	0.0070	.0120	.0139
East Bay Regional Park District	<u>0.0032</u>	<u>0.0021</u>	<u>0.0057</u>	<u>.0060</u>	<u>.0139</u>
Total	\$1.1537	\$1.1956	\$1.1905	1.1927	1.1927

Source: California Municipal Statistics Inc.

Teeter Plan; Property Tax Collections

For the District's share of the 1% general fund apportionment, 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 the State Revenue and Taxation Code, which requires the County to pay 100% of such secured property taxes due to local agencies in the fiscal year such taxes are due. Pursuant to these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts located in counties operating under the Teeter Plan and participating in the Teeter Plan currently are assured of 100% collection of their secured tax levies for the 1% general fund apportionment if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due to delinquent payments. This method of tax collection and distribution is subject to future discontinuance at the County's option or if demanded by the participating taxing agencies. Particularly, under the statute creating the Teeter Plan, the Board of Supervisors could under certain circumstances terminate the Teeter Plan in its entirety and, in addition, the Board of Supervisors could terminate the Teeter Plan with respect to the District if the delinquency rate for all *ad valorem* property taxes levied within the District in any year exceeds 3%.

Because the County does not participate in the Teeter Plan with respect to tax levies for debt service on general obligation bonds, secured property taxes actually collected for such purpose are allocated to political subdivisions for which the County acts as tax-levying or tax-collecting agency, including the District, when such secured property taxes are actually collected. As a consequence, the District's receipt of taxes levied for its general obligation bonds, including the Bonds, is subject to delinquencies. With respect to levies for general obligation bonds, California law permits the County to levy for debt service coming due in each year, plus an amount to create a reserve for payments. Counties vary in their practices regarding the amount of reserves maintained, if any.

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The following tables show recent history of secured tax charges and delinquencies in the District.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Secured Tax Charges and Delinquencies
Fiscal Years 2008-09 through 2019-20

Fiscal Year	Secured Tax Charge⁽¹⁾	Amt. Del. June 30	% Del. June 30
2008-09	\$10,738,553	\$579,970	5.40%
2009-10	9,991,005	377,205	3.78
2010-11	9,785,805	284,455	2.91
2011-12	9,798,163	240,868	2.46
2012-13	10,342,360	178,737	1.73
2013-14	11,035,410	149,633	1.36
2014-15	10,761,962	138,373	1.29
2015-16	11,342,018	174,996	1.54
2016-17	12,099,684	162,098	1.34
2017-18	12,881,550	139,317	1.08
2018-19	13,692,721	147,535	1.08
2019-20	14,346,216	190,592	1.33

Fiscal Year	Secured Tax Charge⁽²⁾	Amt. Del. June 30	% Del. June 30
2008-09	\$5,681,334	\$215,765	3.80%
2009-10	6,022,263	144,204	2.39
2010-11	6,999,632	145,971	2.09
2011-12	8,700,148	135,774	1.56
2012-13	8,949,463	116,596	1.30
2013-14	10,452,028	114,567	1.10
2014-15	11,308,567	112,249	0.99
2015-16	11,181,335	96,924	0.87
2016-17	11,417,156	86,405	0.76
2017-18	14,476,926	57,722	0.40
2018-19	14,554,440	109,989	0.76
2019-20	15,462,093	128,005	0.83

(1) 1% General Fund apportionment.

(2) District's general obligation bond debt service levy (not covered under the County's Teeter Plan).

Source: California Municipal Statistics, Inc.

The District cannot provide any assurances that the County will continue to maintain the Teeter Plan described above or will have sufficient funds available to distribute the full amount of the District's share of property tax collections to the District. The ability of the County to maintain the Teeter Plan may depend on its financial resources and may be affected by future property tax delinquencies. Property tax delinquencies may be impacted by economic and other factors beyond the District's or the County's control, including the ability or willingness of property owners to pay property taxes during an economic recession or depression. An economic recession or depression could be caused by many factors outside the control of the District, including high interest rates, reduced consumer confidence, reduced real wages or reduced economic activity as a result of the spread of COVID-19 or other outbreak of disease or natural or manmade disaster. See "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

Major Taxpayers

The following table shows the 20 largest owners of secured taxable property in the District as determined by secured assessed valuation.

The more property (by assessed value) which is owned by a single taxpayer in the District, the greater the amount of tax collections that are exposed to weaknesses in the taxpayer's financial situation and ability or willingness to pay property taxes. Each taxpayer listed below is a unique name listed on the tax rolls. The District cannot determine from County assessment records whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

SAN LEANDRO UNIFIED SCHOOL DISTRICT Top Twenty Secured Property Taxpayers Fiscal Year 2020-21

	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2020-21 Assessed Valuation</u>	<u>% of Total (1)</u>
1.	Ghirardelli Chocolate Company	Industrial	\$ 148,846,800	1.21%
2.	Waste Management of Alameda County Inc.	Industrial	132,358,023	1.08
3.	Kaiser Foundation Hospitals	Industrial	108,085,010	0.88
4.	Colfin 2018 2 Industrial Owner LLC	Industrial	104,560,200	0.85
5.	100 Halcyon Owner LLC	Industrial	96,758,996	0.79
6.	SLTC LLC	Office Building	94,642,948	0.77
7.	BRE Westgate Property Owner LLC	Shopping Center	88,915,587	0.72
8.	BPP Pacific Industrial CA REIT Owner 2	Industrial	85,368,123	0.69
9.	Safeway Stores Incorporated	Industrial	83,935,602	0.68
10.	MM PG Bayfair Properties LLC	Shopping Center	83,549,647	0.68
11.	AMB US Logistics Fund LP	Industrial	73,782,739	0.60
12.	BG8 Williams Street LLC	Industrial	70,635,000	0.57
13.	AMB-SGP CIF-I LLC	Industrial	57,842,575	0.47
14.	Prologis USLV Newca 7 LLC	Industrial	55,300,401	0.45
15.	Chill Build San Leandro LLC	Industrial	55,274,915	0.45
16.	Woodchase Owner LLC	Apartments	55,187,473	0.45
17.	2000 Marina LLC	Industrial	50,510,309	0.41
18.	Creekside Plaza Partners LLC	Office Building	48,863,474	0.40
19.	Lone Oak San Leandro LLC	Industrial	46,818,000	0.38
20.	Gateway Buena Park Inc.	Shopping Center	41,850,912	0.34
			<u>\$1,583,086,734</u>	<u>12.86%</u>

(1) 2020-21 local secured assessed valuation: \$12,305,990,872.

Source: California Municipal Statistics, Inc.

Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the “**Debt Report**”) prepared by California Municipal Statistics, Inc. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

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SAN LEANDRO UNIFIED SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated as of March 1, 2021

2020-21 Assessed Valuation: \$14,147,239,554

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt 3/1/21</u>
Alameda County	4.268%	\$ 8,164,684
Bay Area Rapid Transit District	1.652	30,923,623
Chabot-Las Positas Community College District	10.069	59,738,370
San Leandro Unified School District	100.000	317,491,547(1)
City of Oakland	1.827	8,222,870
City of San Leandro Cherrywood Community Facilities District	100.000	1,855,000
East Bay Regional Park District	2.643	<u>3,542,942</u>
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$429,939,036
 <u>OVERLAPPING GENERAL FUND DEBT:</u>		
Alameda County General Fund Obligations	4.268%	\$33,987,471
Alameda-Contra Costa Transit District Certificates of Participation	5.054	589,044
City of Oakland General Fund Obligations	1.827	1,579,213
City of Oakland Pension Obligation Bonds	1.827	3,627,752
City of San Leandro General Fund Obligations	86.021	34,177,956
City of San Leandro Pension Obligation Bonds	86.021	<u>7,230,065</u>
TOTAL OVERLAPPING GENERAL FUND DEBT		\$81,191,501
 <u>OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):</u>		\$21,722,180
 COMBINED TOTAL DEBT		\$532,852,717(2)

Ratios to 2020-21 Assessed Valuation:

Direct Debt (\$317,491,547) 2.24%
Total Direct and Overlapping Tax and Assessment Debt 3.04%
Combined Total Debt 3.77%

Ratios to 2019-20 Redevelopment Incremental Valuation (\$3,052,668,667):

Total Overlapping Tax Increment Debt 0.71%

(1) Excludes the Bonds but includes the Refunded Bonds as described herein. See "THE FINANCING AND REFINANCING PLAN."
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc.

BOND INSURANCE

The following information has been furnished by the Bond Insurer for use in this Official Statement. No representation is made as to the accuracy or completeness of this information, or the absence of material adverse changes therein at any time subsequent to the date hereof. Reference is made to APPENDIX H for a specimen of the Policy.

Municipal Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company (“**BAM**” or the “**Bond Insurer**”) will issue a Municipal Bond Insurance Policy (the “**Policy**”) for the Bonds maturing on August 1, 2023 through August 1, 2035, inclusive (collectively, the “**Insured Bonds**”). The Policy guarantees the scheduled payment of principal of and interest on the Insured Bonds when due as set forth in the form of the Policy included as APPENDIX H to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation, and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products solely to issuers in the U.S. public finance markets. BAM will only insure obligations of states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, its telephone number is: 212-235-2500, and its website is located at: www.buildamerica.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM’s financial strength is rated “AA/Stable” by S&P Global Ratings, a business unit of Standard & Poor’s Financial Services LLC (“**S&P**”). An explanation of the significance of the rating and current reports may be obtained from S&P at www.standardandpoors.com. The rating of BAM should be evaluated independently. The rating reflects the S&P’s current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Insured Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Insured Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Insured Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Insured Bonds, nor does it guarantee that the rating on the Insured Bonds will not be revised or withdrawn.

Capitalization of the Bond Insurer. BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2020 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$485.4 million, \$160.7 million and \$324.7 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.buildamerica.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Insured Bonds or the advisability of investing in the Insured Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from the Bond Insurer

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at buildamerica.com/creditinsights/. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at buildamerica.com/obligor/. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of

or the underwriter for the Insured Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Insured Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Insured Bonds, whether at the initial offering or otherwise.

TAX MATTERS

Tax Exemption

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

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

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

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

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

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

Other Tax Considerations

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

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

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

Forms of Opinions

Copies of the proposed forms of opinions of Bond Counsel are attached hereto as Appendix D.

CERTAIN LEGAL MATTERS

Legality for Investment

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

Absence of Material Litigation

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

The District is subject to lawsuits and claims that arise in the regular course of operating a public school district. In the opinion of the District, the aggregate amount of the uninsured liabilities of the District under these lawsuits and claims will not materially affect the financial position or operations of the District.

Compensation of Certain Professionals

Payment of the fees and expenses of Jones Hall, A Professional Law Corporation, San Francisco, California as Bond Counsel and Disclosure Counsel to the District, Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Underwriter's Counsel, and Dale Scott & Company, Inc., as Municipal Advisor to the District, is contingent upon issuance of the Bonds.

CONTINUING DISCLOSURE

The District will execute a Continuing Disclosure Certificate in connection with the issuance of the Bonds in the form attached hereto as APPENDIX E. The District has covenanted therein, for the benefit of holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board (an “**Annual Report**”) not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2022 with the report for the 2020-21 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. Such notices will be filed by the District with the Municipal Securities Rulemaking Board (the “**MSRB**”). The specific nature of the information to be contained in an Annual Report or the notices of enumerated events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter of the Bonds in complying with S.E.C. Rule 15c2-12(b)(5) (the “**Rule**”).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of the District's outstanding general obligation bonds and other indebtedness (see information in APPENDIX B under the heading “DISTRICT FINANCIAL

INFORMATION – Long-Term Indebtedness”). In the previous five years, specific instances of non-compliance with prior undertakings are that for the District’s Election of 2006, Series B General Obligation Bonds, the District untimely filed its fiscal year 2015-16 audited financial statements and annual report and a rating change notice relating to a rating change that occurred on October 27, 2016.

In order to assist in future timely compliance with its disclosure undertakings for its outstanding obligations and the Bonds, the District has contracted with Dale Scott & Company, Inc. to serve as dissemination agent for the Bonds and the outstanding obligations of the District.

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

RATINGS

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (“**S&P**”) has assigned a rating of “AA” to the Insured Bonds, on the understanding that the Bond Insurer will deliver its municipal bond insurance policy with respect to the Insured Bonds. S&P has also assigned an underlying rating of “A+” to the Insured Bonds, which is also the rating of the Uninsured Bonds. In addition, Moody’s Investors Service, Inc. (“**Moody’s**”) has also assigned an underlying rating of “A1” to both the Insured Bonds and the Uninsured Bonds.

Such ratings reflect only the views of S&P and Moody’s, respectively, and an explanation of the significance of such ratings may be obtained only from S&P and Moody’s. The District has provided certain additional information and materials to S&P and Moody’s (some of which does not appear in this Official Statement because it is not material for purposes of making an investment decision). There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised downward or withdrawn entirely by S&P or Moody’s, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

The Bonds are being purchased by Piper Sandler & Co. (the “**Underwriter**”). The Underwriter has agreed to purchase the Bonds at the following respective prices:

Series D Bonds. \$3,428,432.97, which is equal to the initial principal amount of the Series D Bonds of \$3,250,000.00, plus original issue premium of \$196,791.50, less an Underwriter’s discount of \$13,000.00, less \$5,358.53 to be paid by the Underwriter as the premium for the Policy.

Refunding Bonds. \$29,488,171.60, which is equal to the initial principal amount of the Refunding Bonds of \$24,435,000.00, plus original issue premium of \$5,150,911.60, less an Underwriter’s discount of \$97,740.00.

The purchase contracts relating to the Bonds provides that the Underwriter will purchase all of the Bonds (if any are purchased) and provides that the Underwriter’s obligation to purchase

is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

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

The Underwriter has entered into a distribution agreement (the “**Schwab Agreement**”) with Charles Schwab & Co., Inc. (“**CS&Co.**”) for the retail distribution of certain securities offerings at the original issue prices. Pursuant to the Schwab Agreement, CS&Co. will purchase the Bonds from the Underwriter at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

VERIFICATION OF MATHEMATICAL ACCURACY

The Verification Agent, upon delivery of the Refunding Bonds, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Refunding Bonds and other funds available to pay upon prior redemption, principal and premium, if any, on the applicable Refunded Bonds upon their redemption, and interest requirements thereon to and including the applicable redemption date, of the Refunded Bonds described under the heading “THE FINANCING AND REFINANCING PLAN.”

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

ADDITIONAL INFORMATION

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

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

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

EXECUTION

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

SAN LEANDRO UNIFIED SCHOOL DISTRICT

By: /s/ Kevin Collins, Ed.D.
Assistant Superintendent of
Business and Operations

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APPENDIX A

SAN LEANDRO UNIFIED SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2019-20

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Financial Statements
June 30, 2020

San Leandro Unified School District



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Independent Auditor's Report

To the Governing Board
San Leandro Unified School District
San Leandro, 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 San Leandro 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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.

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 San Leandro Unified School 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 on pages 6 through 15, budgetary comparison information on page 72 and 73, schedule of changes in the District's total OPEB liability and related ratios on page 74, schedule of the District's proportionate share of the net pension liability on page 75, and the schedule of District contributions on page 76, 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 San Leandro Unified School District's financial statements. The combining and individual nonmajor fund financial statements, Schedule of Expenditures of Federal Awards as required by the audit requirements of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are the responsibility of management and were derived from and relate 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 combining and individual nonmajor fund financial statements, the schedule of expenditures of federal awards, and the other supplementary information listed in the table of contents are 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 a report dated December 4, 2020 on our consideration of San Leandro Unified School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of San Leandro Unified School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering San Leandro Unified School District's internal control over financial reporting and compliance.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

San Ramon, California
December 4, 2020



San Leandro Unified School District

Business & Operations

Management's Discussion and Analysis

June 30, 2020

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

DISTRICT PROFILE

The San Leandro Unified School District is located in Alameda County. The District serves approximately 9,066 students of a diverse population. The District currently operates 13 schools, consisting of 8 elementary (grades K-5), 2 middle schools (grades 6-8), one comprehensive high school (grades 9-12), one continuation high school, one adult school and one independent study program. As of June 30, 2020, the District employs on a regular basis approximately 539 certificated and 365 classified employees.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

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

The Government-Wide Financial Statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting. These statements include all assets of the District (including capital assets), as well as all liabilities (including long-term liabilities). Additionally, certain eliminations have occurred as prescribed by the statement in regards to interfund activity, payables, and receivables.

The *Fund Financial Statements* include statements for each of the three categories of activities: governmental, proprietary, and fiduciary.

- The *Governmental Funds* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.
- The *Proprietary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.
- The *Fiduciary Funds* are prepared using the economic resources measurement focus and the accrual basis of accounting.

Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach.

Figure A-1 on the next page summarizes the major features of the District's basic financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-1
Major Features of the District wide and Fund Financial Statements

Type of Statements	District-wide	Governmental Funds	Fiduciary Funds	Proprietary Funds
<i>Scope</i>	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as special education and building maintenance	Instances in which the District administers resources on behalf of someone else, such as student body activities	Activities of the District that operate like a business, such as self-insurance funds
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance sheet. • Statement of Revenues, Expenditures & changes in fund balances • Reconciliation to government wide financial statements 	<ul style="list-style-type: none"> • Statement of fiduciary net assets. 	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses, & Changes in Net Position • Statement of Cash Flows
<i>Accounting basis and Measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets, deferred outflows, liabilities both financial and capital, short-term and long-term, and deferred outflows	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long term debt included	All assets and liabilities, both short-term and long-term; standard funds do not currently contain non-financial assets, though they can	All assets and liabilities, both short-term and long-term; standard funds do not currently contain non-financial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenue and expenses during the year, regardless of when cash is received or paid	All revenue and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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 deferred outflows of resources, and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position of the District is improving or deteriorating. Other factors to consider are changes in the District's 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 governing 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 an important component in this evaluation.

In the *Statement of Net Position* and the *Statement of Activities*, we present the District activities as follows:

Governmental Activities - All of the District's services are reported in this category. This includes the education of kindergarten through grade twelve students, adult education students, the operation of child development activities, and the on-going effort to improve and maintain buildings and sites. Property taxes, State income taxes, user fees, interest income, Federal, State, and local grants, as well as general obligation bonds, finance these activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds - not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money that it receives from the U.S. Department of Education.

Governmental Funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary Funds - When the District charges users for the services it provides, whether to outside customers or to other departments within the District, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. We use internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the District's other programs and activities, such as the District's Self-Insurance Fund. The internal service funds are reported with governmental activities in the government-wide financial statements.

THE DISTRICT AS A TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or fiduciary, for funds held on behalf of others, like our funds for associated student body activities, scholarships, employee retiree benefits, and pensions. The District's fiduciary activities are reported in the Statements of Fiduciary Net Position. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was \$(43.7) million for the fiscal year ended June 30, 2020. Of this amount, \$(101) million was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

	Governmental Activities	
	2020	2019
Assets		
Current and other assets	\$ 159,839,905	\$ 108,393,421
Capital assets	259,358,744	225,660,038
Total assets	419,198,649	334,053,459
Deferred outflows of resources	60,975,306	67,455,513
Liabilities		
Current liabilities	21,587,427	12,258,860
Long-term liabilities	482,099,727	404,519,848
Total liabilities	503,687,154	416,778,708
Deferred inflows of resources	20,141,006	32,073,805
Net Position		
Net investment in capital assets	24,977,709	5,196,937
Restricted	32,356,063	21,597,953
Unrestricted	(100,987,977)	(74,138,431)
Total net position	\$ (43,654,205)	\$ (47,343,541)

The \$(101) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements decreased from (\$74.1) million to (\$101) million.

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the Statement of Activities on page 17. Table 2 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues for the year.

Table 2

	Governmental Activities	
	2020	2019
Revenues		
Program revenues		
Charges for services	\$ 668,030	\$ 749,233
Operating grants and contributions	30,632,852	26,269,792
General revenues		
Federal and State aid not restricted	56,311,780	59,546,897
Property taxes	53,786,874	48,600,150
Other general revenues	1,469,493	3,305,243
Total revenues	<u>142,869,029</u>	<u>138,471,315</u>
Expenses		
Instruction-related	98,291,293	95,714,975
Pupil services	12,680,014	12,637,258
Administration	7,045,808	7,185,522
Plant services	8,531,450	11,041,863
Other	12,631,128	11,112,166
Total expenses	<u>139,179,693</u>	<u>137,691,784</u>
Change in net position	<u>\$ 3,689,336</u>	<u>\$ 779,531</u>

Governmental Activities

As reported in the *Statement of Activities* on page 17, the cost of all of our governmental activities this year was \$139.2 million. The cost was paid by those who benefited from the programs was 0.7 million. Operating grants and contributions subsidized certain programs in the amount of \$30.6 million. We paid for the remaining "public benefit" portion of our governmental activities with \$53.8 million in taxes, unrestricted Federal and State aid of \$56.3 million and other revenues of \$1.5 million for the fiscal year ended June 30, 2020.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: instruction related, student support services, administration, maintenance and operations, and other. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

	Total Cost of Services		Net Cost of Services	
	2020	2019	2020	2019
Instruction	\$ 98,291,293	\$ 95,714,975	\$ (74,802,023)	\$ (75,778,170)
Pupil services	12,680,014	12,637,258	(6,739,896)	(7,550,555)
Administration	7,045,808	7,185,522	(6,456,647)	(6,508,623)
Plant services	8,531,450	11,041,863	(8,280,893)	(10,640,219)
All other services	12,631,128	11,112,166	(11,599,352)	(10,195,192)
Total	\$ 139,179,693	\$ 137,691,784	\$ (107,878,811)	\$ (110,672,759)

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of \$142.6 million, which is an increase of \$42.3 million from last year (Table 4).

Table 4

Governmental Fund	Balances and Activity			
	June 30, 2019	Revenues	Expenditures	June 30, 2020
General	\$ 10,687,340	\$ 116,739,755	\$ 110,963,647	\$ 16,463,448
Adult Education	1,755,400	2,970,722	2,830,670	1,895,452
Cafeteria	1,895,407	4,600,376	4,125,629	2,370,154
Building	63,272,241	76,133,118	45,402,094	94,003,265
Capital Facilities	542,304	311,877	643,184	210,997
Special Reserve Fund for Capital				
Outlay Projects	2,240,020	339,453	243,027	2,336,446
Bond Interest and Redemption	19,905,577	27,517,475	22,055,458	25,367,594
Total	\$ 100,298,289	\$ 228,612,776	\$ 186,263,709	\$ 142,647,356

The primary reasons for these increases are:

- a. Our General Fund is our principal operating fund. The fund balance in the General Fund increased \$5.8 million to \$16.5 million. This due to:
 1. Increasing enrollment
 2. Receipt of one-time state funding
 3. Collection of restricted facilities funds for future construction
- b. Our special revenue funds remained fairly stable from the prior year showing a \$0.6 million decrease.
- c. The building fund increased from \$63.4 million to \$94.0 million as a result of issuance of bond proceeds net of facilities expenditures.
- d. The debt service funds showed an increase of approximately \$5.5 million for future debt payments.

General Fund Budgetary Highlights

Over the course of the year, the District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. The final amendment to the budget was adopted on March 10, 2020. (A schedule showing the District's original and final budget amounts compared with amounts actually paid and received is provided in our annual report on page 72.

- Significant revenue revisions of approximately \$3.1 million were made to the 2019-2020 budget due to LCFF enrollment and unduplicated student counts, unrestricted preschool funding changes, federal revenues (increase in MAA funds and decrease in Title I), changes in Other State Revenues (Strong Workforce Program), and Youth Reinvestment.
- Budgeted expenditures between the original and final general fund budgets increased by \$5.5 million due to updates to Certificated and Classified salaries and benefits, Contract Services (SPED NPS Placements, transportation, Strong Workforce Grant, Local Donations, and Other Outgo (BLC payoff from redevelopment funds).

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the District had \$259.3 million in a broad range of capital assets (net of depreciation), including land, buildings, furniture, and equipment. This amount represents a net decrease (including additions, deductions, and depreciation) of just under \$33.6, or 14.9 percent, from last year (Table 5).

Table 5

	Governmental Activities	
	2020	2019
Land and construction in progress	\$ 72,597,069	\$ 35,806,844
Buildings and improvements	183,625,083	186,734,542
Equipment	3,136,592	3,118,652
Total	<u>\$ 259,358,744</u>	<u>\$ 225,660,038</u>

This year's additions of \$33.7 million included renovation of school libraries, upgrades to electrical systems and installation of HVAC in all classrooms.

Several capital projects are planned for the 2020-2021 year. We anticipate capital additions to be \$5.5 million for the 2020-2021 year. We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Liabilities

At the end of this year, the District had \$482.1 million in long-term obligations outstanding versus \$403.7 million last year, an increase of 19 percent. Those long-term obligations consisted of:

Table 6

	Governmental Activities	
	2020	2019
Long-Term Liabilities		
General obligation bonds	\$ 327,835,208	\$ 263,460,180
Unamortized premiums/(discounts)	26,411,023	18,865,422
Capital leases	549,092	636,130
Compensated absences	566,439	477,670
Total OPEB liability	10,556,773	9,309,673
Aggregate net pension liability	116,181,192	110,997,165
	<u> </u>	<u> </u>
Total	<u>\$ 482,099,727</u>	<u>\$ 403,746,240</u>

The District's general obligation bond rating continues to be AA. The State limits the amount of general obligation debt that districts can issue to five percent of the assessed value of all taxable property within the District's boundaries. The District's outstanding general obligation debt of \$327.8 million is significantly below this statutorily-imposed limit.

At year-end, the District has a net pension liability of \$116.2 million versus \$111.0 million last year, an increase of 5.2 million, or 4.6 percent.

Other liabilities include compensated absences payable, other postemployment benefits (OPEB) liability (not including health benefits) and other long-term liabilities. We present more detailed information regarding our long-term liabilities in Note 9 of the financial statements.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2019-2020 ARE NOTED BELOW:

Continued the school modernization projects which includes renovating various sites, upgrades and replacement of portables and the expansion of advance technology hardware and software, accommodating distance learning.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2020-2021 year, the governing board and management used the following criteria:

Revenue Assumptions:

- 2.31% LCFF COLA in 2020-21, 0% in future years
- No change to ADA
- No cuts to categorical programs
- \$1.5 M in savings from reduced PERS and STRS rates
- \$1.2 M in ESSER funding – PPE, tech, cleaning
- \$400 K in additional state SPED funding

Expenditures are based on the following forecasts:

	Staffing Ratio	Enrollment
Grades kindergarten through third	24:1	2,852
Grades four through eight	30:1	3,334
Grades nine through twelve	30:1	2,880

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and 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 about this report or need any additional financial information, contact the Assistant Superintendent, Business Services, at San Leandro Unified School District, 835 East 14th Street, Suite 200, San Leandro, California, 94577, or e-mail at kcollins@slusd.us.

San Leandro Unified School District

Statement of Net Position

June 30, 2020

Assets	
Deposits and investments	\$ 142,250,739
Receivables	1,961,583
Due from other governments	15,586,435
Stores inventories	41,148
Capital assets not depreciated	72,597,069
Capital assets, net of accumulated depreciation	<u>186,761,675</u>
Total assets	<u>419,198,649</u>
Deferred Outflows of Resources	
Deferred outflows of resources related to other postemployment benefits (OPEB) liability	584,699
Deferred outflows of resources related to pensions	<u>60,390,607</u>
Total deferred outflows of resources	<u>60,975,306</u>
Liabilities	
Accounts payable	8,519,391
Interest payable	4,610,277
Due to other governments	7,993,135
Unearned revenue	464,624
Long-term liabilities	
Long-term liabilities other than OPEB and pensions due within one year	11,633,695
Long-term liabilities other than OPEB and pensions due in more than one year	343,728,067
Total other postemployment benefits liabilities	10,556,773
Aggregate net pension liabilities	<u>116,181,192</u>
Total liabilities	<u>503,687,154</u>
Deferred Inflows of Resources	
Deferred inflows of resources related to pensions	<u>20,141,006</u>
Net Position	
Net investment in capital assets	24,977,709
Restricted for	
Debt service	20,757,317
Capital projects	2,547,443
Educational programs	6,722,297
Food service	2,329,006
Unrestricted	<u>(100,987,977)</u>
Total net position	<u><u>\$ (43,654,205)</u></u>

San Leandro Unified School District

Statement of Activities
Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position
		Charges for Services and Sales	Operating Grants and Contributions	Total Governmental Activities
Governmental Activities				
Instruction	\$ 83,967,447	\$ 5,414	\$ 19,969,431	\$ (63,992,602)
Instruction-related activities				
Supervision of instruction	4,363,195	48	1,727,178	(2,635,969)
Instructional library, media, and technology	1,964,950	-	194,634	(1,770,316)
School site administration	7,995,701	96	1,592,469	(6,403,136)
Pupil services				
Home-to-school transportation	2,436,459	-	-	(2,436,459)
Food services	4,366,904	472,850	3,890,751	(3,303)
All other pupil services	5,876,651	2,668	1,573,849	(4,300,134)
Administration				
Data processing	860,643	-	-	(860,643)
All other administration	6,185,165	23,564	565,597	(5,596,004)
Plant services	8,531,450	14,643	235,914	(8,280,893)
Ancillary services	851,345	180	14,141	(837,024)
Interest on long-term liabilities	10,509,812	-	-	(10,509,812)
Other outgo	1,269,971	148,567	868,888	(252,516)
Total governmental activities	<u>\$ 139,179,693</u>	<u>\$ 668,030</u>	<u>\$ 30,632,852</u>	<u>(107,878,811)</u>
General Revenues and Subventions				
Property taxes, levied for general purposes				33,288,843
Property taxes, levied for debt service				18,449,937
Taxes levied for other specific purposes				2,048,094
Federal and State aid not restricted to specific purposes				56,311,780
Interest and investment earnings				460,656
Interagency revenues				268,825
Miscellaneous				740,012
Subtotal, general revenues				<u>111,568,147</u>
Total general revenues and transfers				<u>111,568,147</u>
Change in Net Position				3,689,336
Net Position - Beginning				<u>(47,343,541)</u>
Net Position - Ending				<u>\$ (43,654,205)</u>

San Leandro Unified School District
Balance Sheet – Governmental Funds
June 30, 2020

	General Fund	Adult Education Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Assets						
Deposits and investments	\$ 11,235,755	\$ 2,149,601	\$ 99,533,506	\$ 25,292,594	\$ 3,824,784	\$ 142,036,240
Receivables	349,535	9,000	245,814	75,000	1,281,334	1,960,683
Due from other funds	295,305	116,118	76,825	-	52,650	540,898
Due from other governments	15,250,302	336,133	-	-	-	15,586,435
Stores inventories	-	-	-	-	41,148	41,148
Total assets	\$ 27,130,897	\$ 2,610,852	\$ 99,856,145	\$ 25,367,594	\$ 5,199,916	\$ 160,165,404
Liabilities and Fund Balances						
Liabilities						
Accounts payable	\$ 2,480,232	\$ 122,664	\$ 5,837,576	\$ -	\$ 78,919	\$ 8,519,391
Due to other funds	163,619	158,575	15,304	-	203,400	540,898
Due to other governments	7,993,135	-	-	-	-	7,993,135
Unearned revenue	30,463	434,161	-	-	-	464,624
Total liabilities	10,667,449	715,400	5,852,880	-	282,319	17,518,048
Fund Balances						
Nonspendable	40,000	-	-	-	41,148	81,148
Restricted	6,722,297	-	94,003,265	25,367,594	4,876,449	130,969,605
Assigned	-	1,895,452	-	-	-	1,895,452
Unassigned	9,701,151	-	-	-	-	9,701,151
Total fund balances	16,463,448	1,895,452	94,003,265	25,367,594	4,917,597	142,647,356
Total liabilities and fund balances	\$ 27,130,897	\$ 2,610,852	\$ 99,856,145	\$ 25,367,594	\$ 5,199,916	\$ 160,165,404

See Notes to Financial Statements

San Leandro Unified School District
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2020

Total Fund Balance - Governmental Funds		\$ 142,647,356
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	\$ 414,429,268	
Accumulated depreciation is	<u>(155,070,524)</u>	
Net capital assets		259,358,744
In governmental funds, unmatured interest on long-term liabilities is recognized in the period when it is due. On the government-wide financial statements, unmatured interest on long-term liabilities is recognized when it is incurred.		(4,610,277)
An internal service fund is used by management to charge the costs of the workers' compensation insurance program to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.		215,399
Deferred outflows of resources represent a consumption of net position in a future period and is not reported in the governmental funds. Deferred outflows of resources amounted to and related to		
Other postemployment benefits	584,699	
Net pension obligation	<u>60,390,607</u>	
Total deferred outflows of resources		60,975,306
Deferred inflows of resources represent an acquisition of net position that applies to a future period and is not reported in the governmental funds. Deferred inflows of resources amount to and related to		
Net pension obligation	<u>(20,141,006)</u>	
Total deferred inflows of resources		(20,141,006)
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(116,181,192)
The District's OPEB liability is not due and payable in the current period, and is not reported as a liability in the funds.		(10,556,773)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of		
General obligation bonds	\$ (327,835,208)	
Capital leases payable	(549,092)	
Premium, net of accumulated amortization	(26,411,023)	
Compensated absences (vacations)	<u>(566,439)</u>	
Total long-term liabilities		<u>(355,361,762)</u>
Total net position - governmental activities		<u>\$ (43,654,205)</u>

San Leandro Unified School District

Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds

Year Ended June 30, 2020

	General Fund	Adult Education Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
Local Control Funding Formula	\$ 92,163,590	\$ -	\$ -	\$ -	\$ -	\$ 92,163,590
Federal sources	4,517,404	490,780	-	-	3,829,643	8,837,827
Other State sources	12,429,299	2,223,620	10,516	105,457	236,900	15,005,792
Other local sources	5,894,345	145,354	1,127,602	18,664,571	1,025,503	26,857,375
Total revenues	115,004,638	2,859,754	1,138,118	18,770,028	5,092,046	142,864,584
Expenditures						
Current						
Instruction	73,928,320	1,473,100	-	-	-	75,401,420
Instruction-related activities						
Supervision of instruction	3,679,252	239,035	-	-	-	3,918,287
Instructional library, media, and technology	1,764,299	-	-	-	-	1,764,299
School site administration	6,411,903	773,511	-	-	-	7,185,414
Pupil services						
Home-to-school transportation	2,180,505	-	-	-	-	2,180,505
Food services	19,349	-	-	-	3,894,082	3,913,431
All other pupil services	5,259,301	-	-	-	-	5,259,301
Administration						
Data processing	770,554	-	-	-	-	770,554
All other administration	5,278,104	76,600	-	-	192,050	5,546,754
Plant services	8,515,358	102,104	2,218,120	-	227,494	11,063,076
Ancillary services	761,911	-	-	-	-	761,911
Facility acquisition and construction	851,637	70,496	41,289,197	-	55,030	42,266,360
Debt service						
Principal	162,215	87,037	-	10,619,972	611,393	11,480,617
Interest and other	-	8,787	-	11,435,486	31,791	11,476,064
Total expenditures	109,582,708	2,830,670	43,507,317	22,055,458	5,011,840	182,987,993
Excess (Deficiency) of Revenues						
Over Expenditures	5,421,930	29,084	(42,369,199)	(3,285,430)	80,206	(40,123,409)
Other Financing Sources (Uses)						
Transfers in	1,735,117	110,968	-	-	159,660	2,005,745
Other sources	-	-	74,995,000	8,747,447	-	83,742,447
Transfers out	(110,968)	-	(1,894,777)	-	-	(2,005,745)
Other uses	(1,269,971)	-	-	-	-	(1,269,971)
Net Financing Sources (Uses)	354,178	110,968	73,100,223	8,747,447	159,660	82,472,476
Net Change in Fund Balances	5,776,108	140,052	30,731,024	5,462,017	239,866	42,349,067
Fund Balance - Beginning	10,687,340	1,755,400	63,272,241	19,905,577	4,677,731	100,298,289
Fund Balance - Ending	\$ 16,463,448	\$ 1,895,452	\$ 94,003,265	\$ 25,367,594	\$ 4,917,597	\$ 142,647,356

San Leandro Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2020

Total Net Change in Fund Balances - Governmental Funds \$ 42,349,067

Amounts Reported for Governmental Activities in the Statement of
Activities are Different Because

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statement of Activities.

This is the amount by which depreciation exceeds capital outlays in the period.

Depreciation expense	\$ (12,378,277)
Capital outlays	<u>46,077,248</u>

Net expense adjustment	33,698,971
------------------------	------------

Loss (Gain) on disposal of capital assets is reported in the government-wide Statement of Net Position, but is not recorded in the governmental funds. (265)

In the Statement of Activities, certain operating expenses, such as ☐ compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This amount is the difference between vacation earned and used. (88,769)

In the governmental funds, pension costs are based on employer ☐ contributions made to pension plans during the year. However, in the Statement of Activities, pension expenses are the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year. 377,963

In the governmental funds, OPEB costs are based on employer contributions made to OPEB plans during the year. However, in the Statement of Activities, OPEB expense is the net effect of all changes in the deferred outflows, deferred inflows, and total OPEB liability during the year. (1,356,498)

Proceeds received from Certificates of Participation or Sale of Bonds is a revenue in the governmental funds, but it increases long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities. \$ (74,995,000)

San Leandro Unified School District

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental
Funds to the Statement of Activities
Year Ended June 30, 2020

Governmental funds report the effect of premiums, discounts, and the deferred amount on a refunding when the debt is first issued, whereas the amounts are deferred and amortized in the Statement of Activities.

Premium on issuance recognized	(8,747,447)
Premium amortization	1,201,846

Payment of principal on long-term liabilities is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.

General obligation bonds	10,619,972
San Leandro City Loan	773,608
Capital leases	87,038

Interest on long-term liabilities is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accretes or accrues, regardless of when it is due.

(235,595)

An internal service fund is used by management to charge the costs of the self insurance program to the individual funds. The net revenue of the Internal Service Fund is reported with governmental activities.

4,445

Change in net position of governmental activities

\$ 3,689,336

San Leandro Unified School District
Statement of Net Position – Proprietary Funds
June 30, 2020

	Governmental Activities - Internal Service Fund
	<u> </u>
Assets	
Current assets	
Deposits and investments	\$ 214,499
Receivables	<u> 900</u>
Total current assets	<u> 215,399</u>
Total assets	<u> 215,399</u>
Net Position	
Unrestricted	<u> 215,399</u>
Total net position	<u><u> \$ 215,399</u></u>

San Leandro Unified School District
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds
Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
	<u> </u>
Nonoperating Revenues (Expenses)	
Interest income	\$ 4,445
	<u> </u>
Change in Net Position	4,445
Total Net Position - Beginning	<u>210,954</u>
Total Net Position - Ending	<u><u>\$ 215,399</u></u>

San Leandro Unified School District
Statement of Cash Flows – Proprietary Funds
Year Ended June 30, 2020

	Governmental Activities - Internal Service Fund
Operating Activities	
Other operating cash receipts	\$ 54
Investing Activities	
Interest on investments	4,445
Net Change in Cash and Cash Equivalents	4,499
Cash and Cash Equivalents, Beginning	210,000
Cash and Cash Equivalents, Ending	\$ 214,499
Reconciliation of Operating Income (Loss) to Net Cash From (Used for) Operating Activities	
Changes in assets and liabilities	
Receivables	54
Net Cash From Operating Activities	\$ 54

San Leandro Unified School District
Statement of Net Position – Fiduciary Funds
June 30, 2020

	Agency Funds
Assets	
Deposits and investments	<u>\$ 520,152</u>
Total assets	<u><u>\$ 520,152</u></u>
Liabilities	
Due to student groups	<u>520,152</u>
Total liabilities	<u><u>\$ 520,152</u></u>

Note 1 - Summary of Significant Accounting Policies

Financial Reporting Entity

The San Leandro Unified School District (the District) was organized on July 1, 1952 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, two middle schools, one comprehensive high school, one continuation school, one adult school and an independent study center.

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

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

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

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

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

Non-Major Governmental Funds

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

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

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

- **Capital Facilities Fund** The Capital Facilities Fund is used primarily to account separately for monies received from fees levied on developers or other agencies as a condition of approval (*Education Code* Sections 17620-17626 and Government Code Section 65995 et seq.). Expenditures are restricted to the purposes specified in Government Code Sections 65970-65981 or to the items specified in agreements with the developer (Government Code Section 66006).
- **Special Reserve Fund for Capital Outlay Projects** The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

Proprietary Funds Proprietary funds are used to account for activities that are more business-like than government-like in nature. Business-type activities include those for which a fee is charged to external users or to other organizational units of the local education agency, normally on a full cost-recovery basis. Proprietary funds are generally intended to be self-supporting and are classified as enterprise or internal service. The District has the following proprietary funds:

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

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

Basis of Accounting - Measurement Focus

Government-Wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements, but differs from the manner in which governmental fund financial statements are prepared.

The government-wide statement of activities presents a comparison between expenses, both direct and indirect, of the District and for each governmental function, and exclude fiduciary activity. 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*, except for depreciation. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the District. Eliminations have been made to minimize the double counting of internal activities.

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

Fund Financial Statements Fund financial statements report detailed information about the District. The focus of governmental and proprietary fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Non-major funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

- **Governmental Funds** All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (revenues and other financing sources) and uses (expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include reconciliations with brief explanations to better identify the relationship between the government-wide financial statements, prepared using the economic resources measurement focus and the accrual basis of accounting, and the governmental fund financial statements, prepared using the flow of current financial resources measurement focus and the modified accrual basis of accounting.

- **Proprietary Funds** Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.
- **Fiduciary Funds** Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. The District considers revenues to be available if they are collected within one year after year-end, except for property taxes, which are considered available if collected within 60 days. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

Unearned Revenue Unearned revenues arise when resources are received by the District before it has a legal claim to them, such as when certain grants are received prior to the occurrence of qualifying expenditures. In the subsequent periods, when the District has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and the revenue is recognized.

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. Principal and interest on long-term liabilities, which has not matured, are recognized when paid in the governmental funds as expenditures. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds but are recognized in the entity-wide statements.

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.

Investments

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

Restricted Assets

Restricted assets arise when restrictions on their use change the normal understanding of the availability of the asset. Such constraints are either imposed by creditors, contributors, grantors, or laws of other governments or imposed by enabling legislation. Restricted assets in the Debt Service Fund represent investments required by debt covenants to be set aside by the District for the purpose of satisfying certain requirements of the bonded debt issuances.

Stores Inventories

Inventories consist of expendable food and supplies held for consumption. Inventories are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental funds and expenses in the proprietary funds when consumed rather than when purchased.

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 position. 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 acquisition value on the date donated.

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years; improvements/infrastructure, 5 to 50 years; equipment, 2 to 15 years.

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 columns of the statement of net position.

Compensated Absences

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

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

Accrued Liabilities and Long-Term Liabilities

All payables, accrued liabilities, and long-term liabilities 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 liabilities 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 liabilities are recognized as liabilities in the governmental fund financial statements when due.

Debt Issuance Costs, Premiums and Discounts

In the government-wide financial statements and in the proprietary fund type financial statements, long-term liabilities are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Debt premiums and discounts, as well as issuance costs related to prepaid insurance costs are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method.

In governmental fund financial statements, bond premiums and discounts, as well as debt issuance costs are recognized in the period the bonds are issued. The face amount of the debt is reported as other financing sources. Premiums received on debt issuance are also reported as other financing sources. Issuance costs, whether or not withheld from the actual debt proceeds, are reported as debt service expenditures in the period the bonds are issued.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for deferred charges on refunding of debt, for pension related items, and for OPEB related items. The deferred charge on refunding resulted from the difference between the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate to differences between expected and actual earnings on investments, changes of assumptions, and other pension and OPEB related changes.

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

Pensions

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

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Plan and additions to/deductions from the District Plan fiduciary net position have been determined on the same basis as they are reported by the District Plan. For this purpose, the District Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost. The total OPEB liability attributable to the governmental activities will be paid primarily by the General Fund.

Fund Balances - Governmental Funds

As of June 30, 2020, fund balances of the governmental funds are classified as follows:

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

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

Committed - amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or other action as approved by the governing board. The District currently does not have any committed funds.

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

Unassigned - all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net position net of investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The government-wide financial statements report \$32,356,063 of restricted net position restricted by enabling legislation.

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 in-district premiums. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

Transfers between governmental and business-type 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. Interfund transfers are eliminated in the governmental and business-type activities columns of the Statement of Activities, except for the net residual amounts transferred between governmental and business-type activities.

Estimates

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

Property Tax

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

Change in Accounting Principles

In May 2020, the GASB issued Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later.

The effective dates of certain provisions contained in the following pronouncements are postponed by one year:

- Statement No. 83, Certain Asset Retirement Obligations
- Statement No. 84, Fiduciary Activities
- Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period
- Statement No. 90, Majority Equity Interests
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Implementation Guide No. 2017-3, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)
- Implementation Guide No. 2018-1, Implementation Guidance Update—2018
- Implementation Guide No. 2019-1, Implementation Guidance Update—2019
- Implementation Guide No. 2019-2, Fiduciary Activities.
- The effective dates of the following pronouncements are postponed by 18 months:
 - Statement No. 87, Leases
 - Implementation Guide No. 2019-3, Leases.

The provisions of this Statement have been implemented as of June 30, 2020.

New Accounting Pronouncements

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

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

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective for the reporting periods beginning after December 15, 2019. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2017, the GASB issued Statement No. 87, Leases. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for the reporting periods beginning after June 30, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

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

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

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

Added per Jamie's change -As a result of the implementation of GASB Statement No. 95, for reporting periods beginning after December 15, 2020. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In August 2018, the GASB issued Statement 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 60. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

As a result of the implementation of GASB Statement No. 95, for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. The effects of this change on the District's financial statements have not yet been determined.

In May 2019, the GASB issued Statement No. 91, Conduit Debt Obligations. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

A conduit debt obligation is defined as a debt instrument having all of the following characteristics:

- There are at least three parties involved: (1) an issuer, (2) a third-party obligor, and (3) a debt holder or a debt trustee.
- The issuer and the third-party obligor are not within the same financial reporting entity.
- The debt obligation is not a parity bond of the issuer, nor is it cross-collateralized with other debt of the issuer.
- The third-party obligor or its agent, not the issuer, ultimately receives the proceeds from the debt issuance.
- The third-party obligor, not the issuer, is primarily obligated for the payment of all amounts associated with the debt obligation (debt service payments).

All conduit debt obligations involve the issuer making a limited commitment. Some issuers extend additional commitments or voluntary commitments to support debt service in the event the third party is, or will be, unable to do so.

An issuer should not recognize a conduit debt obligation as a liability. However, an issuer should recognize a liability associated with an additional commitment or a voluntary commitment to support debt service if certain recognition criteria are met. As long as a conduit debt obligation is outstanding, an issuer that has made an additional commitment should evaluate at least annually whether those criteria are met. An issuer that has made only a limited commitment should evaluate whether those criteria are met when an event occurs that causes the issuer to reevaluate its willingness or ability to support the obligor's debt service through a voluntary commitment.

This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. In those arrangements, capital assets are constructed or acquired with the proceeds of a conduit debt obligation and used by third-party obligors in the course of their activities. Payments from third-party obligors are intended to cover and coincide with debt service payments. During those arrangements, issuers retain the titles to the capital assets. Those titles may or may not pass to the obligors at the end of the arrangements.

Issuers should not report those arrangements as leases, nor should they recognize a liability for the related conduit debt obligations or a receivable for the payments related to those arrangements. In addition, the following provisions apply:

- If the title passes to the third-party obligor at the end of the arrangement, an issuer should not recognize a capital asset.
- If the title does not pass to the third-party obligor and the third party has exclusive use of the entire capital asset during the arrangement, the issuer should not recognize a capital asset until the arrangement ends.
- If the title does not pass to the third-party obligor and the third party has exclusive use of only portions of the capital asset during the arrangement, the issuer, at the inception of the arrangement, should recognize the entire capital asset and a deferred inflow of resources. The deferred inflow of resources should be reduced, and an inflow recognized, in a systematic and rational manner over the term of the arrangement.

This Statement requires issuers to disclose general information about their conduit debt obligations, organized by type of commitment, including the aggregate outstanding principal amount of the issuers' conduit debt obligations and a description of each type of commitment. Issuers that recognize liabilities related to supporting the debt service of conduit debt obligations also should disclose information about the amount recognized and how the liabilities changed during the reporting period.

As a result of the implementation of GASB Statement No. 95, for the reporting periods beginning after December 15, 2021. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In January 2020, the GASB issued Statement No. 92, Omnibus 2020. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial reporting
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments

As a result of the implementation of GASB Statement No. 95, the requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2021.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2021.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2021.

Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 93, Replacement of Interbank Offered Rates. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate). This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended
- Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

As a result of the implementation of GASB Statement No. 95, the removal of LIBOR as an appropriate benchmark interest rate (paragraph 11b) is effective for reporting periods ending after December 31, 2021. Paragraph 13 and 14 related to lease modifications is effective for reporting periods beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Early implementation is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In March 2020, the GASB issued Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In May 2020, the GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. The effects of this change on the District's financial statements have not yet been determined.

In June 2020, the GASB issued Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021. Earlier application of those requirements is encouraged and permitted by requirement as specified within this Statement.

The Board considered the effective dates for the requirements of this Statement in light of the COVID-19 pandemic and in concert with Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance. The effects of this change on the District's financial statements have not yet been determined.

Note 2 - Deposits and Investments

Summary of Deposits and Investments

Deposits and investments as of June 30, 2020, are classified in the accompanying financial statements as follows:

Governmental funds	\$ 142,036,240
Proprietary funds	214,499
Fiduciary funds	<u>520,152</u>
Total deposits and investments	<u><u>\$ 142,770,891</u></u>

Deposits and investments as of June 30, 2020, consist of the following:

Cash on hand and in banks	\$ 588,779
Cash in revolving	40,000
Investments	<u>142,142,112</u>
Total deposits and investments	<u><u>\$ 142,770,891</u></u>

Policies and Practices

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

Investment in County Treasury - The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (*Education Code* Section 41001). The fair value of the District's investment in the pool is reported in the accounting financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis.

General Authorizations

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

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Bonds, Notes, Warrants	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None
Joint Powers Authority Pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool.

Weighted Average Maturity

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

Investment Type	Reported Amount	Weighted Average Maturity in Years
County Investment Pool	<u>\$ 142,142,112</u>	674 days

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment in the County Pool is not required to be rated, nor has it been rated as of June 30, 2020.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, approximately \$135,000 of the District's bank balance of \$600,000 was exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

Note 3 - Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.
- Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.
- Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonably available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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

The District's fair value measurements are as follows at June 30, 2020:

Investment Type	Reported Amount	Minimum Legal Rating	Rating as of Year End		
			AAA	AA	Unrated
County Investment Pool	<u>\$ 142,142,112</u>	N/A	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,142,112</u>

N/A - Not applicable

Note 4 - Receivables

Receivables at June 30, 2020, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Adult Fund	Building Fund	Bond Interest And Redemption Fund	Non-Major Govemental Funds	Total	Proprietary Funds
Federal Government							
Categorical aid	\$ 149,390	\$ -	\$ -	\$ -	\$ 1,028,376	\$ 1,177,766	\$ -
State Government							
LCFF apportionment	11,115,311	-	-	-	-	11,115,311	-
Categorical aid	735,584	-	-	-	48,233	783,817	-
Lottery	439,668	-	-	-	-	439,668	-
Local Government							
Interest	70,000	9,000	220,000	75,000	14,000	388,000	900
Other local sources	3,089,884	336,133	25,814	-	190,725	3,642,556	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 15,599,837</u>	<u>\$ 345,133</u>	<u>\$ 245,814</u>	<u>\$ 75,000</u>	<u>\$ 1,281,334</u>	<u>\$ 17,547,118</u>	<u>\$ 900</u>

Note 5 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020, was as follows:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 14,369,105	\$ -	\$ -	\$ 14,369,105
Construction in progress	21,437,739	40,254,196	(3,463,971)	58,227,964
Total capital assets not being depreciated	35,806,844	40,254,196	(3,463,971)	72,597,069
Capital assets being depreciated				
Land improvements	24,692,067	366,178	-	25,058,245
Buildings and improvements	295,816,126	8,323,088	-	304,139,214
Furniture and equipment	12,043,351	597,757	(6,368)	12,634,740
Total capital assets being depreciated	332,551,544	9,287,023	(6,368)	341,832,199
Total capital assets	368,358,388	49,541,219	(3,470,339)	414,429,268
Accumulated depreciation				
Land improvements	(15,698,477)	(742,460)	-	(16,440,937)
Buildings and improvements	(118,075,174)	(11,056,265)	-	(129,131,439)
Furniture and equipment	(8,924,699)	(579,552)	6,103	(9,498,148)
Total accumulated depreciation	(142,698,350)	(12,378,277)	6,103	(155,070,524)
Governmental activities capital assets, net	\$ 225,660,038	\$ 37,162,942	\$ (3,464,236)	\$ 259,358,744

Depreciation expense was charged as a direct expense to governmental functions as follows:

Governmental Activities	
Instruction	\$ 7,925,446
Supervision of instruction	411,851
Instructional library, media, and technology	185,446
School site administration	755,259
Home-to-school transportation	229,193
Food services	411,341
All other pupil services	552,805
Ancillary Services	80,084
Data processing	80,993
All other administration	583,019
Plant services	1,162,840
	<u> </u>
Total depreciation expenses governmental activities	<u><u>\$ 12,378,277</u></u>

Note 6 - Interfund Transactions

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2020, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

Due To	Due From				Total
	General Fund	Adult Education Fund	Building Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 34,144	\$ 76,825	\$ 52,650	\$ 163,619
Building Fund	-	15,304	-	-	15,304
Non-Major Governmental Funds	295,305	66,670	-	-	361,975
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u><u>\$ 295,305</u></u>	<u><u>\$ 116,118</u></u>	<u><u>\$ 76,825</u></u>	<u><u>\$ 52,650</u></u>	<u><u>\$ 540,898</u></u>

All remaining balance resulted from the time lag between the date that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transaction are recorded in the accounting system, and (3) payments between funds are made.

Operating Transfers

Interfund transfers for the year ended June 30, 2020, consisted of the following:

Transfer To	Transfer From		
	General Fund	Non-Major Governmental Funds	Total
General Fund	\$ -	\$ 110,968	\$ 110,968
Building Fund	1,735,117	159,660	1,894,777
Total	<u>\$ 1,735,117</u>	<u>\$ 270,628</u>	<u>\$ 2,005,745</u>

The General Fund transferred to the Adult Education Fund to transfer lottery funds \$ 110,968

The Building Fund transferred to the General Fund for reimbursement of costs of construction of food service and IT building as approved by the Governing Board. 1,735,117

The Building Fund transferred to the Non Major Governmental Funds for reimbursement of partial costs of installation of portable classroom buildings on the Adult Education campus as approved by the Governing Board. 159,660

Total \$ 2,005,745

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

Note 7 - Accounts Payable

Accounts payable at June 30, 2020, consisted of the following:

	General Fund	Adult Education Fund	Building Fund	Non-Major Governmental Funds	Total
Vendor payables	\$ 2,169,149	\$ 106,756	\$ 5,837,576	\$ 78,919	\$ 8,192,400
Salaries and benefits	311,083	15,908	-	-	326,991
Total	<u>\$ 2,480,232</u>	<u>\$ 122,664</u>	<u>\$ 5,837,576</u>	<u>\$ 78,919</u>	<u>\$ 8,519,391</u>

Note 8 - Unearned Revenue

Unearned revenue at June 30, 2020, consisted of the following:

	General Fund	Adult Education Fund	Total
State categorical aid	\$ -	\$ 434,161	\$ 434,161
Other local	30,463	-	30,463
Total	<u>\$ 30,463</u>	<u>\$ 434,161</u>	<u>\$ 464,624</u>

Note 9 - Long-Term Liabilities other than OPEB and Pensions

Summary

The changes in the District's long-term liabilities other than OPEB and pensions during the year consisted of the following:

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020	Due in One Year
Long-Term Liabilities					
General obligation bonds	\$ 263,460,180	\$ 74,995,000	\$ (10,619,972)	\$ 327,835,208	\$ 10,343,562
Unamortized debt premiums	18,865,422	8,747,447	(1,201,846)	26,411,023	1,201,846
Capital leases	636,130	-	(87,038)	549,092	88,287
Compensated absences	477,670	88,769	-	566,439	-
City Loan	773,608	-	(773,608)	-	-
Total	<u>\$ 284,213,010</u>	<u>\$ 83,831,216</u>	<u>\$ (12,682,464)</u>	<u>\$ 355,361,762</u>	<u>\$ 11,633,695</u>

Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund with local revenues. The Capital Facilities Fund makes payments for the Notes Payable. The capital leases payments are made by the Adult Education Fund. The accrued compensation will be paid by the fund for which the employee worked.

San Leandro Unified School District
Notes to Financial Statements
June 30, 2020

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issuance Date	Final Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2019	Issued	Redeemed	Bonds Outstanding June 30, 2020
3/18/2009	8/1/2033	4.00-6.25%	\$30,000,000	\$465,000	\$ -	\$ (465,000)	\$0
2/13/2010	8/1/2040	6.38-6.98%	19,999,043	12,980,063	-	-	12,980,063
5/1/2010	2/1/2026	5%	18,327,344	11,835,117	-	(1,474,972)	10,360,145
5/24/2011	8/1/2041	3.00-5.75%	30,000,000	28,900,000	-	(100,000)	28,800,000
10/19/2011	8/1/2022	2.00-3.125%	7,560,000	3,080,000	-	(685,000)	2,395,000
7/10/2013	8/1/2026	0.55-4.00%	11,670,000	9,035,000	-	(815,000)	8,220,000
7/10/2013	8/1/2038	3.00-5.00%	20,100,000	19,495,000	-	(350,000)	19,145,000
3/24/2015	8/1/2029	3.00-5.00%	11,745,000	11,745,000	-	-	11,745,000
5/21/2015	8/1/2033	2.00-5.00%	31,275,000	30,060,000	-	(200,000)	29,860,000
11/2/2016	8/1/2031	2.00-5.00%	17,900,000	17,355,000	-	(485,000)	16,870,000
5/2/2017	8/1/2046	3.00-5.00%	47,260,000	43,725,000	-	(3,865,000)	39,860,000
5/2/2017	8/1/2028	2.00-5.00%	23,675,000	21,295,000	-	(2,180,000)	19,115,000
2/5/2019	8/1/2043	3.00-5.00%	50,240,000	50,240,000	-	-	50,240,000
2/5/2019	8/1/2043	4.00-5.00%	3,250,000	3,250,000	-	-	3,250,000
3/3/2020	8/1/2043	3.00-4.00%	74,995,000	-	74,995,000	-	74,995,000
				<u>\$ 263,460,180</u>	<u>\$ 74,995,000</u>	<u>\$ (10,619,972)</u>	<u>\$ 327,835,208</u>

Debt Service Requirements to Maturity

The bonds mature through 2047 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2021	\$ 10,343,562	\$ 11,267,823	\$ 21,611,385
2022	16,370,088	13,347,031	29,717,119
2023	16,249,482	12,706,435	28,955,917
2024	17,072,077	12,009,678	29,081,755
2025	12,552,816	11,288,400	23,841,216
2026-2030	57,257,021	58,006,689	115,263,710
2031-2035	57,665,000	49,756,783	107,421,783
2036-2040	73,820,063	58,691,987	132,512,050
2041-2045	59,460,000	7,655,794	67,115,794
2046-2047	7,045,099	347,072	7,392,171
Total	<u>\$ 327,835,208</u>	<u>\$ 235,077,692</u>	<u>\$ 488,404,935</u>

Note Payable

On February 26, 2013, the City of San Leandro loaned the District \$1,250,000 with interest rates of 1.5-5% for the purchase of a property in the City that will be used by the District to directly support education and administrative functions of the District. The loan matures on August 1, 2028. The remaining principle and interest was paid off during the year ended June 30, 2020.

Compensated Absences

Compensated absences (unpaid employee vacation) for the District at June 30, 2020, amounted to \$566,439.

Capital Leases

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

	Adult Education Zion Bank
Balance, July 1, 2019	\$ 636,130
Payments	(87,038)
Balance, July 1, 2020	<u>\$ 549,092</u>

The capital leases have minimum lease payments as follows:

Year Ending June 30,	Lease Payment
2021	\$ 95,824
2022	95,824
2023	95,824
2024	95,824
2025	95,824
2026-2030	<u>95,824</u>
Total	574,944
Less amount representing interest	<u>(25,852)</u>
Present value of minimum lease payments	<u>\$ 549,092</u>

Leased land, buildings, and equipment under capital leases in capital assets at June 30, 2020, include the following:

Buildings	\$ 1,530,197
Less accumulated depreciation	<u>(277,986)</u>
Total	<u><u>\$ 1,252,211</u></u>

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

Note 10 - Total Other Postemployment Benefit (OPEB) Liability

For the fiscal year ended June 30, 2020, the District reported total OPEB liability, deferred outflows of resources, deferred inflows of resources, and OPEB expense for the following plans:

OPEB Plan	Total OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Retiree Health Plan	<u>\$ 10,556,773</u>	<u>\$ 584,699</u>	<u>\$ -</u>	<u>\$ 841,354</u>

The details of each plan are as follows:

District Plan

Plan Administration

The District's governing board administers the Postemployment Benefits Plan (the Plan). The Plan is a single employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for eligible retirees and their spouses. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Plan Membership

At June 30, 2019, the measurement date, the Plan membership consisted of the following:

Inactive employees or beneficiaries currently receiving benefits payments	210
Inactive employees entitled to but not yet receiving benefits payments	-
Active employees	<u>10</u>
Total	<u><u>220</u></u>

Benefits Provided

The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Benefits are provided through a third-party insurer, and the full cost of benefits is covered by the Plan. The District's governing board has the authority to establish and amend the benefit terms as contained within the negotiated labor agreements.

Contributions

The benefit payment requirements of the Plan members and the District are established and may be amended by the District, the Teacher Education Association (TEA), the local California Service Employees Association (CSEA), and unrepresented groups. The benefit payment is based on projected pay-as-you-go financing requirements as determined annually through the agreements with the District, TEA, CSEA, and the unrepresented groups. For the fiscal year ended June 30, 2020 the District paid \$584,699 in benefits.

Total OPEB Liability of the District

The District's total OPEB liability of \$10,556,773 was measured as of June 30, 2019, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2020.

Actuarial Assumptions

The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.75 percent
Discount rate	1.96 percent
Healthcare cost trend rates	7.00 percent for 2020

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

Mortality rates were based on the 1984 Unisex Mortality Table. Mortality rates vary by age and sex. If employees die prior to retirement, past contributions are available to fund benefits for employees who live to retirement. After retirement, death results in benefit termination or reeducation. Although higher mortality rates reduce service costs, the mortality assumption is not likely to vary from employer to employer.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actual experience study for the period July 1, 2019 to June 30, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance, June 30, 2019	\$ 9,309,673
Service cost	1,029
Interest	21,196
Differences between expected and actual experience	1,967,287
Changes of assumptions or other inputs	(167,560)
Benefit payments	(574,852)
Net change in total OPEB liability	1,247,100
Balance, June 30, 2020	\$ 10,556,773

Changes of assumptions and other inputs reflect a change in the discount rate from 1.82 percent in 2019 to 1.96 percent in 2020.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

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

Discount Rate	Total OPEB Liability
1% decrease (0.96%)	\$ 15,942,882
Current discount rate (1.96%)	10,556,773
1% increase (2.96%)	5,170,664

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percent lower or higher than the current healthcare costs trend rates:

Healthcare Cost Trend Rates	Total OPEB Liability
1% decrease (6%)	\$ 9,048,663
Current healthcare cost trend rate (7%)	10,556,773
1% increase (8%)	12,064,883

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources related to OPEB

For the year ended June 30, 2020, the District recognized OPEB expense of \$841,354. At June 30, 2020, the District reported deferred outflows of resources for the amount paid by the District for OPEB as the benefits come due subsequent to measurement date of \$584,699.

Note 11 - Fund Balances

Fund balance are composed of the following elements:

	General Fund	Adult Education Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable						
Revolving cash	\$ 40,000	\$ -	\$ -	\$ -	\$ -	\$ 40,000
Stores inventories	-	-	-	-	41,148	41,148
Total nonspendable	40,000	-	-	-	41,148	81,148
Restricted						
Legally restricted programs	6,722,297	-	-	-	-	6,722,297
Food service	-	-	-	-	2,329,006	2,329,006
Capital projects	-	-	94,003,265	-	2,547,443	96,550,708
Debt services	-	-	-	25,367,594	-	25,367,594
Total restricted	6,722,297	-	94,003,265	25,367,594	4,876,449	130,969,605
Assigned						
Other	-	1,895,452	-	-	-	1,895,452
Unassigned						
Reserve for economic uncertainties	3,328,909	-	-	-	-	3,328,909
Remaining unassigned	6,372,242	-	-	-	-	6,372,242
Total unassigned	9,701,151	-	-	-	-	9,701,151
Total	\$ 16,463,448	\$ 1,895,452	\$ 94,003,265	\$ 25,367,594	\$ 4,917,597	\$ 142,647,356

Note 12 - Lease Revenues

The District has property held for lease. Lease agreements have been entered into with various lessees for terms that exceed one year. None of the agreements contain purchase options. All of the agreements contain a termination clause providing for cancellation after a specified number of days written notice to lessors, but is unlikely that the District will cancel any of the agreements prior to their expiration date. The future minimum lease payments expected to be received under these agreements are as \$36,000 per year for each of the next five years and \$144,000 thereafter.

Note 13 - Risk Management

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters.

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2020, the District contracted with East Bay Schools Insurance Group (EBSIG) for property and liability insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2020, the District participated in the Alameda County Schools Insurance Group (ACSIG), an insurance purchasing pool. The intent of ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in ACSIG. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in ACSIG. Each participant pays its workers' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participating district. A participant will then either receive money from or be required to contribute to the "equity-pooling fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of ACSIG. Participation in ACSIG is limited to districts that can meet the ACSIG selection criteria.

Note 14 - Employee Retirement Systems

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

For the fiscal year ended June 30, 2020, the District reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for each of the above plans as follows:

Pension Plan	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CalSTRS	\$ 86,468,577	\$ 53,766,061	\$ 6,350,044	\$ 18,223,959
CalPERS	29,712,615	6,624,546	13,790,962	8,345,999
Total	<u>\$ 116,181,192</u>	<u>\$ 60,390,607</u>	<u>\$ 20,141,006</u>	<u>\$ 26,569,958</u>

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publicly available reports that can be found on the CalSTRS website under Publications at: <http://www.calstrs.com/member-publications>.

Benefits Provided

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

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

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

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

	STRP Defined Benefit Program	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	10.25%	10.205%
Required employer contribution rate	17.10%	17.10%
Required state contribution rate	10.328%	10.328%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 19.1 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the District's total contributions were \$9,233,571.

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

At June 30, 2020, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share	
Proportionate share of net pension liability	\$ 86,468,577
State's proportionate share of the net pension liability	47,174,381
	<hr/>
Total	\$ 133,642,958
	<hr/>

The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively was 0.0957 percent and 0.0916 percent, resulting in a net increase in the proportionate share of 0.0041 percent.

San Leandro Unified School District

Notes to Financial Statements

June 30, 2020

For the year ended June 30, 2020, the District recognized pension expense of \$18,223,959. In addition, the District recognized pension expense and revenue of \$7,025,283 for support provided by the State. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 9,233,571	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	33,377,818	582,663
Differences between projected and actual earnings on pension plan investments	-	3,330,797
Differences between expected and actual experience in the measurement of the total pension liability	218,287	2,436,584
Changes of assumptions	10,936,385	-
Total	<u>\$ 53,766,061</u>	<u>\$ 6,350,044</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (335,969)
2022	(2,644,261)
2023	(548,989)
2024	198,422
Total	<u>\$ (3,330,797)</u>

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

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 10,025,557
2022	9,831,336
2023	10,400,248
2024	10,565,241
2025	428,992
Thereafter	261,869
Total	<u>\$ 41,513,243</u>

Actuarial Methods and Assumptions

Total pension liability for STRP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 2010 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.10%
Investment rate of return	7.10%
Consumer price inflation	2.75%
Wage growth	3.50%

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The best estimate ranges were developed using capital market assumptions from CalSTRS general investment consultant (Pension Consulting Alliance-PCA) as an input to the process. The actuarial investment rate of return assumption was adopted by the board in February 2017 in conjunction with the most recent experience study. For each future valuation, CalSTRS consulting actuary (Milliman) reviews the return assumption for reasonableness based on the most current capital market assumptions. Best estimates of 20-year geometrically-linked real rates of return and the assumed asset allocation for each major asset class for the year ended June 30, 2019, are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	47%	4.8%
Fixed income	12%	1.3%
Real estate	13%	3.6%
Private equity	13%	6.3%
Risk mitigating strategies	9%	1.8%
Inflation sensitive	4%	-3.3%
Cash/liquidity	2%	-0.4%

Discount Rate

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

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

Discount Rate	Net Pension Liability
1% decrease (6.10%)	\$ 128,758,868
Current discount rate (7.10%)	86,468,577
1% increase (8.10%)	51,401,871

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2018 annual actuarial valuation report, Schools Pool Actuarial Valuation. This report and CalPERS audited financial information are publicly available reports that can be found on the CalPERS website under Forms and Publications at: <https://www.calpers.ca.gov/page/forms-publications>.

Benefits Provided

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

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

	School Employer Pool (CalPERS)	
	On or before December 31, 2012	On or after January 1, 2013
Hire date		
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.00%	7.00%
Required employer contribution rate	19.721%	19.721%

Contributions

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. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2020, are presented above and the total District contributions were \$2,951,047.

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

As of June 30, 2020, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling \$29,712,615. The net pension liability was measured as of June 30, 2019. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2019 and June 30, 2018, respectively was 0.1020 percent and 0.1007 percent, resulting in a net increase in the proportionate share of 0.0013 percent.

For the year ended June 30, 2020, the District recognized pension expense of \$8,345,999. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 2,951,047	\$ -
Change in proportion and differences between contributions made and District's proportionate share of contributions	100,758	13,515,371
Differences between projected and actual earnings on pension plan investments	-	275,591
Differences between expected and actual experience in the measurement of the total pension liability	2,158,328	-
Changes of assumptions	1,414,413	-
Total	<u>\$ 6,624,546</u>	<u>\$ 13,790,962</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year.

The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ 272,037
2022	(543,387)
2023	(82,343)
2024	78,102
Total	<u>\$ (275,591)</u>

The deferred outflows/(inflows) of resources related to the change in proportion and differences between contributions made and District's proportionate share of contributions, differences between expected and actual experience in the measurement of the total pension liability, and changes of assumptions will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 4.1 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2021	\$ (11,031,540)
2022	771,310
2023	380,326
2024	38,032
Total	<u>\$ (9,841,872)</u>

Actuarial Methods and Assumptions

Total pension liability for the SEP was determined by applying update procedures to the financial reporting actuarial valuation as of June 30, 2018, and rolling forward the total pension liability to June 30, 2019. The financial reporting actuarial valuation as of June 30, 2018, used the following methods and assumptions, applied to all prior periods included in the measurement:

Valuation date	June 30, 2018
Measurement date	June 30, 2019
Experience study	July 1, 1997 through June 30, 2015
Actuarial cost method	Entry age normal
Discount rate	7.15%
Investment rate of return	7.15%
Consumer price inflation	2.50%
Wage growth	Varies by entry age and service

The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent of scale MP-2016.

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

Asset Class	Assumed Asset Allocation	Long-Term Expected Real Rate of Return
Global equity	50%	5.98%
Fixed income	28%	2.62%
Inflation assets	0%	1.81%
Private equity	8%	7.23%
Real assets	13%	4.93%
Liquidity	1%	-0.92%

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.15%)	\$ 42,828,780
Current discount rate (7.15%)	29,712,615
1% increase (8.15%)	18,831,849

Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use Social Security as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 6.2 percent of an employee's gross earnings. An employee is required to contribute 6.2 percent of his or her gross earnings to the pension plan.

The District also contributes to the San Leandro District 403(b) Tax Deferred Annuity Plan (TDA), which is a defined contribution pension plan. A defined contribution pension plan provides pension benefits in return for services rendered, provides an individual account for each participant, and specifies how contributions to the individual's account are to be determined instead of specifying the amount of benefits the individual is to receive. Under a defined contribution pension plan, the benefits a participant will receive depend solely on the amount contributed to the participant's account, the returns earned on investments of those contributions, and forfeitures of other participants' benefits that may be allocated to such participant's account.

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of \$5,577,090 (10.328 percent of annual payroll). Contributions are no longer appropriated in the annual Budget Act for the legislatively mandated benefits to CalPERS. Therefore, there is no on behalf contribution rate for CalPERS. Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been included in the calculation of available reserves, and included in the budgeted amounts reported in the General Fund - Budgetary Comparison Schedule.

Senate Bill 90 (Chapter 33, Statutes of 2019), which was signed by the Governor on June 27, 2019, appropriated an additional 2019-2020 contribution on-behalf of school employers of \$1.1 billion for CalSTRS. A proportionate share of these contribution have been recorded in these financial statements. On behalf payments related to these additional contributions have been included in the calculation of available reserves, and included in the budgeted amounts reported in the General Fund - Budgetary Comparison Schedule.

Note 15 - Commitments and Contingencies**Grants**

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2020.

Litigation

The District is not currently a party to any legal proceedings.

Construction Commitments

As of June 30, 2020, the District had the following commitments with respect to the unfinished capital projects:

Capital Project	Remaining Construction Commitment	Expected Date of Completion
Modernization at various sites		
Madison Wing Remodel	\$ 98,000	September-20
Garfield Modulares	325,000	November-20
Wilson Modulares	87,000	November-20
McKinley Modulares	2,100,000	August-20
Jefferson Modulares	850,000	September-20
Roosevelt Modulares	1,946,000	December-20
Washington Modulares	1,900,000	July-21
HVAC Project District-wide	100,000	December-20
	<u> </u>	
Total	<u><u>\$ 7,406,000</u></u>	

Note 16 - Participation in Public Entity Risk Pools, Joint Powers Authorities and Other Related Party Transactions

The District is a member of the East Bay Schools Insurance Group and Alameda County Schools Insurance Group public entity risk pools and the Eden Area Regional Occupational Program and the School Project for Utility Rate Reduction joint powers authorities (JPA's). The District pays an annual premium to the applicable entity for its workers' compensation, and property liability coverage. Payments for regional occupational programs and utilities are paid to the JPAs. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

During the year ended June 30, 2020, the District made payments of \$772,510 to East Bay Schools Insurance Group, \$2,095,708 to Alameda County Schools Insurance Group, \$136,082 to School Project for Utility Rate public entity risk pool, and \$1,252,649 to the Eden Area Regional Occupational Program for occupational programs.

Note 17 - Subsequent Events

Subsequent to year-end, the District has been negatively impacted by the effects of the world-wide coronavirus pandemic. The District is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the issuance date of these financial statements, the full impact to the District's financial position is not known beyond increased cash flow monitoring due to state apportionment deferrals.



Required Supplementary Information
June 30, 2020

San Leandro Unified School District

San Leandro Unified School District
Budgetary Comparison Schedule – General Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Local Control Funding Formula	\$ 89,044,292	\$ 90,134,697	\$ 92,163,590	\$ 2,028,893
Federal sources	4,621,507	4,804,565	4,517,404	(287,161)
Other State sources	8,244,272	10,423,842	12,429,299	2,005,457
Other local sources	6,689,890	6,362,754	5,894,345	(468,409)
Total revenues ¹	108,599,961	111,725,858	115,004,638	3,278,780
Expenditures				
Current				
Certificated salaries	53,541,406	55,483,047	53,847,835	1,635,212
Classified salaries	13,800,710	13,946,197	14,125,960	(179,763)
Employee benefits	21,378,744	22,476,070	23,887,710	(1,411,640)
Books and supplies	2,799,606	3,053,099	2,363,880	689,219
Services and operating expenditures	15,111,588	16,656,748	14,606,010	2,050,738
Other outgo	963,064	1,117,060	(268,653)	1,385,713
Capital outlay	110,000	536,713	857,751	(321,038)
Debt service				
Debt service - principal	-	-	162,215	(162,215)
Debt service - interest and other	-	-	-	-
Total expenditures ¹	107,705,118	113,268,934	109,582,708	3,686,226
Excess (Deficiency) of Revenues Over Expenditures	894,843	(1,543,076)	5,421,930	6,965,006
Other Financing Sources (Uses)				
Transfers in	-	-	1,735,117	1,735,117
Other sources	-	-	-	-
Transfers out	(110,000)	(110,000)	(110,968)	(968)
Other uses	-	-	(1,269,971)	(1,269,971)
Net financing sources (uses)	(110,000)	(110,000)	354,178	464,178
Net Change in Fund Balances	784,843	(1,653,076)	5,776,108	7,429,184
Fund Balance - Beginning	10,687,340	10,687,340	10,687,340	-
Fund Balance - Ending	\$ 11,472,183	\$ 9,034,264	\$ 16,463,448	\$ 7,429,184

¹ On behalf payments of \$6,530,386 are included in the actual revenues and expenditures but have not been included in the budgeted amounts.

San Leandro Unified School District
Budgetary Comparison Schedule – Major Special Revenue Fund
Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variances - Positive (Negative) Final to Actual
	Original	Final		
Revenues				
Local Control Funding Formula	\$ -	\$ -	\$ -	\$ -
Federal sources	395,000	490,780	490,780	-
Other State sources	1,835,537	2,222,894	2,223,620	726
Other local sources	140,000	144,700	145,354	654
Total revenues	2,370,537	2,858,374	2,859,754	1,380
Expenditures				
Current				
Certificated salaries	1,182,941	1,184,872	1,473,100	288,228
Classified salaries	343,377	352,761	-	(352,761)
Employee benefits	634,223	518,943	239,035	(279,908)
Books and supplies	131,340	99,023	-	(99,023)
Services and operating expenditures	90,446	571,741	773,511	201,770
Other outgo	169,000	217,900	-	(217,900)
All other administration	-	-	76,600	76,600
Plant services	-	-	102,104	102,104
Facility acquisition and construction	-	-	70,496	70,496
Debt service				
Principal	-	-	87,037	87,037
Interest and other	-	-	8,787	8,787
Total expenditures	2,551,327	2,945,240	2,830,670	(114,570)
Excess (Deficiency) of Revenues Over Expenditures	(180,790)	(86,866)	29,084	115,950
Other Financing Sources (Uses)				
Transfers in	110,000	110,000	110,968	968
Net financing sources (uses)	110,000	110,000	110,968	968
Net Change in Fund Balances	(70,790)	23,134	140,052	116,918
Fund Balance - Beginning	1,755,400	-	1,755,400	1,755,400
Fund Balance - Ending	\$ 1,684,610	\$ 23,134	\$ 1,895,452	\$ 1,872,318

San Leandro Unified School District
Schedule of Changes in the District's Total OPEB Liability and Related Ratios
Year Ended June 30, 2020

	2020 <u>June 30, 2019</u>	2019 <u>June 30, 2018</u>	2018 <u>June 30, 2017</u>
Measurement Date			
Total OPEB Liability			
Service cost	\$ 1,029	\$ 13,796	\$ 12,883
Interest	21,196	16,332	26,219
Difference between expected and actual experience	1,967,287	1,484,801	110,128
Changes of assumptions	(167,560)	1,016,021	1,470,083
Benefit payments	<u>(574,852)</u>	<u>(560,892)</u>	<u>(599,998)</u>
Net change in total OPEB liability	1,247,100	1,970,058	1,019,315
Total OPEB Liability - Beginning	<u>9,309,673</u>	<u>7,339,615</u>	<u>6,320,300</u>
Total OPEB Liability - Ending	<u><u>\$ 10,556,773</u></u>	<u><u>\$ 9,309,673</u></u>	<u><u>\$ 7,339,615</u></u>
Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>
Total OPEB Liability as a Percentage of Covered Payroll	<u>N/A¹</u>	<u>N/A¹</u>	<u>N/A¹</u>

¹ The OPEB Plan is not administered through a trust and contributions are not made based on a measure of pay.
Therefore, no measure of payroll is presented.

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

San Leandro Unified School District
Schedule of the District's Proportionate Share of the Net Pension Liability
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
Measurement Date	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
CalSTRS						
Proportion of the net pension liability (asset)	0.0957%	0.0916%	0.0900%	0.0912%	0.0959%	0.0927%
Proportionate share of the net pension liability (asset)	\$ 86,468,577	\$ 84,141,140	\$ 83,191,072	\$ 73,767,453	\$ 64,583,072	\$ 54,149,390
State's proportionate share of the net pension liability (asset)	47,174,381	48,174,738	49,215,136	41,994,495	34,157,326	32,697,739
Total	<u>\$ 133,642,958</u>	<u>\$ 132,315,878</u>	<u>\$ 132,406,208</u>	<u>\$ 115,761,948</u>	<u>\$ 98,740,398</u>	<u>\$ 86,847,129</u>
Covered payroll	<u>\$ 52,422,426</u>	<u>\$ 49,309,418</u>	<u>\$ 47,610,636</u>	<u>\$ 44,790,522</u>	<u>\$ 43,850,169</u>	<u>43,790,149</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>164.95%</u>	<u>170.64%</u>	<u>174.73%</u>	<u>164.69%</u>	<u>147.28%</u>	<u>124%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>73%</u>	<u>71%</u>	<u>69%</u>	<u>70%</u>	<u>74%</u>	<u>77%</u>
CalPERS						
Proportion of the net pension liability (asset)	0.1020%	0.1007%	0.1049%	0.1083%	0.1070%	0.1091%
Proportionate share of the net pension liability (asset)	\$ 29,712,615	\$ 26,856,025	\$ 25,031,054	\$ 21,379,819	\$ 15,775,264	\$ 12,387,907
Covered payroll	<u>\$ 13,362,335</u>	<u>\$ 13,293,587</u>	<u>\$ 13,400,763</u>	<u>\$ 12,883,557</u>	<u>\$ 11,850,395</u>	<u>11,851,312</u>
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>222.36%</u>	<u>202.02%</u>	<u>186.79%</u>	<u>165.95%</u>	<u>133.12%</u>	<u>105%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>70%</u>	<u>71%</u>	<u>72%</u>	<u>74%</u>	<u>79%</u>	<u>83%</u>

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

San Leandro Unified School District
Schedule of the District Contributions
Year Ended June 30, 2020

	2020	2019	2018	2017	2016	2015
CalSTRS						
Contractually required contribution	\$ 9,233,571	\$ 8,534,371	\$ 7,115,349	\$ 5,989,418	\$ 4,806,023	\$ 3,893,895
Less contributions in relation to the contractually required contribution	9,233,571	8,534,371	7,115,349	5,989,418	4,806,023	3,893,895
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 53,997,491	\$ 52,422,426	\$ 49,309,418	\$ 47,610,636	\$ 44,790,522	\$ 43,850,169
Contributions as a percentage of covered payroll	17.10%	16.28%	14.43%	12.58%	10.73%	8.88%
CalPERS						
Contractually required contribution	\$ 2,951,047	\$ 2,413,505	\$ 2,064,627	\$ 1,861,098	\$ 1,526,315	\$ 1,394,910
Less contributions in relation to the contractually required contribution	2,951,047	2,413,505	2,064,627	1,861,098	1,526,315	1,394,910
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,963,983	\$ 13,362,335	\$ 13,293,587	\$ 13,400,763	\$ 12,883,557	\$ 11,850,395
Contributions as a percentage of covered payroll	19.721%	18.0620%	15.5310%	13.8880%	11.8470%	11.7710%

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

Note 1 - Purpose of Schedules

Budgetary Comparison Schedules

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

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

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

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

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

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuation.
- *Changes of Assumptions* – The discount rate changed from 1.82 to 1.96 since the previous valuation.

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

This schedule presents information on the District's proportionate share of the net pension liability (NPL), the plans' fiduciary net position and, when applicable, the 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.

- *Changes in Benefit Terms* – There were no changes in benefit terms since the previous valuations for both CalSTRS and CalPERS.
- *Changes of Assumptions* – There were no changes in economic assumptions for either the CalSTRS or CalPERS plans from the previous valuations.

Schedule of District Contributions

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



Supplementary Information
June 30, 2020

San Leandro Unified School District

San Leandro Unified School District
Schedule of Expenditures of Federal Awards
June 30, 2020

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. Department of Education			
Passed Through California Department of Education (CDE)			
Special Education Cluster			
Special Education Grants to States - Basic Local Assistance	84.027	13379	\$ 1,994,599
Special Education Grants to States - Mental Health	84.027	14468	98,908
Special Education Preschool Grants	84.173	13430	51,780
			<u>2,145,287</u>
Total Special Education Cluster			
			2,145,287
Adult Education - Basic Grants to States	84.002	14508	274,550
Adult Education - Basic Grants to States	84.002	13978	130,900
Adult Education - Basic Grants to States	84.002	14109	85,330
			<u>490,780</u>
Subtotal			
			490,780
Title I Grants to Local Educational Agencies	84.010	14329	1,486,150
Supporting Effective Instruction State Grants - Teacher Quality	84.367	14341	234,070
English Language Acquisition State Grants - LEP	84.365	14346	293,350
English Language Acquisition State Grants - Immigrant Education Program	84.365	[1]	47,097
Student Support and Academic Enrichment Program	84.424	15396	118,637
Twenty-First Century Community Learning Centers	84.287	14349	107,100
Education for Homeless Children and Youth	84.196	14332	25,000
Career and Technical Education - Basic Grants to States	84.048	14894	60,712
			<u>5,008,183</u>
Total U.S. Department of Education			
			5,008,183
U.S. Department of Agriculture			
Passed Through California Department of Education			
Child Nutrition Cluster			
National School Lunch Program	10.555	13391	2,454,267
National School Lunch Program - Meal Supplements	10.555	13396	128,971
School Breakfast Program - Especially Needy Breakfast	10.553	13526	432,247
National School Lunch Program - Commodity Supplemental Food [2]	10.555	13391	306,859
			<u>3,322,344</u>
Total Child Nutrition Cluster			
			3,322,344
Child and Adult Care Food Program	10.558	13393	514,329
			<u>3,836,673</u>
Total U.S. Department of Agriculture			
			3,836,673
Total Expenditures of Federal Awards			<u>\$ 8,844,856</u>

¹ Catalog number not available

² Not recorded in the financial statements

The San Leandro Unified School District was established July 1, 1952 and consists of an area comprising approximately 15 square miles. The District operates eight elementary schools, two middle schools, one comprehensive high school, one adult school and one independent study center. There were no boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Peter Oshinski	President	2020
Evelyn Gonzales	Vice President	2020
Christian Rodriguez	Clerk	2022
James Aguilar	Member	2022
Leo Sheridan	Member	2022
Monique M. Tate	Member	2020
Diana Prola	Member	2020

ADMINISTRATION

Michael McLaughlin, Ed. D.	Superintendent
Sonal Patel, Ed. D.	Assistant Superintendent, Educational Services
John Thompson, Ed. D.	Assistant Superintendent, Human Resources
Kevin Collins, Ed. D.	Assistant Superintendent, Business and Operations

San Leandro Unified School District
Schedule of Average Daily Attendance
Year Ended June 30, 2020

	Final Report		As Adjusted per Audit	
	Second Period Report	Annual Report	Second Period Report	Annual Report
Regular ADA				
Transitional kindergarten through third	2,709.13	2,709.13	2,709.13	2,709.13
Fourth through sixth	1,876.61	1,876.61	1,876.61	1,876.61
Seventh and eighth	1,299.90	1,299.90	1,299.90	1,299.90
Ninth through twelfth	2,685.83	2,685.83	2,680.60	2,680.60
Total Regular ADA	8,571.47	8,571.47	8,566.24	8,566.24
Extended Year Special Education				
Transitional kindergarten through third	5.64	5.64	5.64	5.64
Fourth through sixth	2.84	2.84	2.84	2.84
Seventh and eighth	0.85	0.85	0.85	0.85
Ninth through twelfth	3.18	3.18	3.18	3.18
Total Extended Year Special Education	12.51	12.51	12.51	12.51
Special Education, Nonpublic, Nonsectarian Schools				
Transitional kindergarten through third	4.35	4.35	4.35	4.35
Fourth through sixth	7.78	7.78	7.78	7.78
Seventh and eighth	3.61	3.61	3.61	3.61
Ninth through twelfth	11.57	11.57	11.57	11.57
Total Special Education, Nonpublic, Nonsectarian Schools	27.31	27.31	27.31	27.31
Extended Year Special Education, Nonpublic, Nonsectarian Schools				
Transitional kindergarten through third	0.21	0.21	0.21	0.21
Fourth through sixth	0.47	0.47	0.47	0.47
Seventh and eighth	0.37	0.37	0.37	0.37
Ninth through twelfth	1.10	1.10	1.10	1.10
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	2.15	2.15	2.15	2.15
Total ADA	8,613.44	8,613.44	8,608.21	8,608.21

See Notes to Supplementary Information

San Leandro Unified School District

Schedule of Instructional Time

Year Ended June 30, 2020

Grade Level	1986-1987 Minutes Requirement	2019-2020 Actual Minutes	Number of Days		Status
			Traditional Calendar	Multitrack Calendar	
Kindergarten	36,000	47,450	180	N/A	Complied
Grades 1 - 3	50,400				
Grade 1		51,830	180	N/A	Complied
Grade 2		51,830	180	N/A	Complied
Grade 3		51,830	180	N/A	Complied
Grades 4 - 8	54,000				
Grade 4		55,290	180	N/A	Complied
Grade 5		55,290	180	N/A	Complied
Grade 6		57,750	180	N/A	Complied
Grade 7		57,750	180	N/A	Complied
Grade 8		57,750	180	N/A	Complied
Grades 9 - 12	64,800				
Grade 9		65,119	180	N/A	Complied
Grade 10		65,119	180	N/A	Complied
Grade 11		65,119	180	N/A	Complied
Grade 12		65,119	180	N/A	Complied

San Leandro Unified School District
Reconciliation of Annual Financial and Budget Report with Audited Financial Statements
Year Ended June 30, 2020

There were no adjustments to the Unaudited Actual Financial Report, which required reconciliation to the audited financial statements at June 30, 2020.

San Leandro Unified School District
Schedule of Financial Trends and Analysis
Year Ended June 30, 2020

	2021 ¹	2020	2019	2018
General Fund ³				
Revenues	\$ 113,807,900	\$ 115,004,639	\$ 113,118,970	\$ 100,131,783
Other sources	-	1,735,117	-	-
Total Revenues and Other Sources	<u>113,807,900</u>	<u>116,739,756</u>	<u>113,118,970</u>	<u>100,131,783</u>
Expenditures	111,570,165	109,582,709	109,879,307	98,893,582
Other uses and transfers out	<u>110,000</u>	<u>1,380,939</u>	<u>144,905</u>	<u>224,566</u>
Total Expenditures and Other Uses	<u>111,680,165</u>	<u>110,963,648</u>	<u>110,024,212</u>	<u>99,118,148</u>
Increase/(Decrease) in Fund Balance	<u>2,127,735</u>	<u>5,776,108</u>	<u>3,094,758</u>	<u>1,013,635</u>
Ending Fund Balance	<u>\$ 18,591,183</u>	<u>\$ 16,463,448</u>	<u>\$ 10,687,340</u>	<u>\$ 7,592,582</u>
Available Reserves ²	<u>\$ 9,725,138</u>	<u>\$ 9,701,151</u>	<u>\$ 5,930,077</u>	<u>\$ 3,422,941</u>
Available Reserves as a Percentage of Total Outgo	<u>8.71%</u>	<u>8.74%</u>	<u>5.39%</u>	<u>3.45%</u>
Long-Term Liabilities	<u>\$ 343,728,067</u>	<u>\$ 355,361,762</u>	<u>\$ 284,213,010</u>	<u>\$ 235,696,186</u>
K-12 Average Daily Attendance at P-2	<u>8,613</u>	<u>8,608</u>	<u>8,490</u>	<u>8,439</u>

The General Fund balance has increased by \$8,870,866 over the past two years. The fiscal year 2020-2021 budget projects a further increase of \$2,127,735 (12.9 percent). For a district this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred operating surpluses in all of the past three years and anticipates incurring an operating surplus during the 2020-2021 fiscal year. Total long-term liabilities have increased by \$119,665,576 over the past two years.

Average daily attendance has increased by 169 over the past two years. Additional growth of 5 ADA is anticipated during fiscal year 2020-2021.

¹ Budget 2021 is included for analytical purposes only and has not been subjected to audit.

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

³ On behalf payments of \$6,580,386 have been excluded from the calculation of available reserves for the fiscal years ending June 30, 2020, 2019, and 2018.

<u>Name of Charter School and Charter Number</u>	<u>Included in Audit Report</u>
Not applicable	

San Leandro Unified School District
Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2020

	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
Assets				
Deposits and investments	\$ 1,482,066	\$ 15,272	\$ 2,327,446	\$ 3,824,784
Receivables	1,076,609	195,725	9,000	1,281,334
Due from other funds	52,650	-	-	52,650
Stores inventories	41,148	-	-	41,148
Total assets	\$ 2,652,473	\$ 210,997	\$ 2,336,446	\$ 5,199,916
Liabilities and Fund Balances				
Liabilities				
Accounts payable	\$ 78,919	\$ -	\$ -	\$ 78,919
Due to other funds	203,400	-	-	203,400
Total liabilities	282,319	-	-	282,319
Fund Balances				
Nonspendable	41,148	-	-	41,148
Restricted	2,329,006	210,997	2,336,446	4,876,449
Total fund balances	2,370,154	210,997	2,336,446	4,917,597
Total liabilities and fund balances	\$ 2,652,473	\$ 210,997	\$ 2,336,446	\$ 5,199,916

San Leandro Unified School District

Combining Statement of Revenues, Expenditure, and Changes in Fund Balances – Non-Major Governmental
Funds
Year Ended June 30, 2020

	Cafeteria Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
Revenues				
Federal sources	\$ 3,829,643	\$ -	\$ -	\$ 3,829,643
Other State sources	236,900	-	-	236,900
Other local sources	533,833	311,877	179,793	1,025,503
Total revenues	4,600,376	311,877	179,793	5,092,046
Expenditures				
Current				
Pupil services				
Food services	3,894,082	-	-	3,894,082
Administration				
All other administration	192,050	-	-	192,050
Plant services	-	-	227,494	227,494
Facility acquisition and construction	39,497	-	15,533	55,030
Debt service				
Principal	-	611,393	-	611,393
Interest and other	-	31,791	-	31,791
Total expenditures	4,125,629	643,184	243,027	5,011,840
Excess (Deficiency) of Revenues Over Expenditures	474,747	(331,307)	(63,234)	80,206
Other Financing Sources (Uses)				
Transfers in	-	-	159,660	159,660
Net Financing Sources (Uses)	-	-	159,660	159,660
Net Change in Fund Balances	474,747	(331,307)	96,426	239,866
Fund Balance - Beginning	1,895,407	542,304	2,240,020	4,677,731
Fund Balance - Ending	\$ 2,370,154	\$ 210,997	\$ 2,336,446	\$ 4,917,597

Note 1 - Purpose of Schedules

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance. No Federal financial assistance has been provided to a subrecipient.

The following schedule provides reconciliation between revenues reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances, and the related expenditures reported on the Schedule of Expenditures of Federal Awards.

Description	CFDA Number	Amount
Total Federal Revenues reported on the financial statements		\$ 8,837,827
Commodities	10.555	306,859
Child and Adult Care Food Program	10.558	(299,830)
		<u> </u>
Total Schedule of Expenditures of Federal Awards		<u><u>\$ 8,844,856</u></u>

Local Education Agency Organization Structure

This schedule provides information about the District's boundaries and schools operated, members of the governing board, and members of the administration.

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has met its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

Districts must maintain their instructional minutes at the 1986-87 requirements, as required by *Education Code* Section 46201.

Due to school closures caused by COVID-19, the District filed the COVID-19 School Closure Certification certifying that schools were closed for 52 days due to the pandemic. In addition, planned minutes covered by the COVID-19 School Certification were included in the Actual Minutes column but were not actually offered due to the COVID-19 school closure.

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balance of all funds reported on the Unaudited Actual Financial Report to the audited financial statements.

Schedule of Financial Trends and Analysis

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

Schedule of Charter Schools

This schedule lists all Charter Schools chartered by the District, and displays information for each Charter School on whether or not the Charter School is included in the School District audit.

Non-Major Governmental Funds - Balance Sheet and Statement of Revenues, Expenditures and Changes in Fund Balances

The Non-Major Governmental Funds Combining Balance Sheet and Combining Statement of Revenues, Expenditures and Changes in Fund Balances is included to provide information regarding the individual funds that have been included in the Non-Major Governmental Funds column on the Governmental Funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances.



Independent Auditor's Reports
June 30, 2020

San Leandro Unified School District



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
San Leandro Unified School District
San Leandro, 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 San Leandro Unified School District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise San Leandro Unified School District's basic financial statements and have issued our report thereon dated December 4, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Leandro Unified School District's internal control over financial reporting (internal control) as a basis for designing 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 San Leandro Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of San Leandro Unified School 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 San Leandro Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

A handwritten signature in black ink that reads "Eric Sully LLP". The signature is written in a cursive, flowing style.

San Ramon, California
December 4, 2020



Independent Auditor's Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Directors
San Leandro Unified School District
San Leandro, California

Report on Compliance for the Major Federal Program

We have audited San Leandro Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on San Leandro Unified School District's major federal program for the year ended June 30, 2020. San Leandro Unified School District's major federal program is 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 San Leandro Unified School District's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about San Leandro Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, San Leandro Unified School District's 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.

Report on Internal Control over Compliance

Management of San Leandro Unified School 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 San Leandro Unified School District's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the San Leandro Unified School District's internal control over compliance.

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

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

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



San Ramon, California
December 4, 2020



Independent Auditor's Report on State Compliance

To the Board of Directors
San Leandro Unified School District
San Leandro, California

Report on State Compliance

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

Management's Responsibility

Management is responsible for compliance with the state laws and regulations as identified in the table below.

Auditor's Responsibility

Our responsibility is to express an opinion on the District's compliance with state laws and regulations based on our audit of the types of compliance requirements referred to below. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of the *2019-2020 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 compliance requirements listed below has 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 state compliance. However, our audit does not provide a legal determination of the District's compliance.

Compliance Requirements Tested

In connection with the audit referred to above, we selected and tested transactions and records to determine the District's compliance with laws and regulations applicable to the following items:

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
Apprenticeship: Related and Supplemental Instruction	No (see below)
Comprehensive School Safety Plan	Yes
District of Choice	No (see below)
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
California Clean Energy Jobs Act	Yes
After/Before School Education and Safety Program:	
General Requirements	Yes
After School	Yes
Before School	No (see below)
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	Yes
CHARTER SCHOOLS	
Attendance	No (see below)
Mode of Instruction	No (see below)
Nonclassroom-Based Instruction/Independent Study for Charter Schools	No (see below)
Determination of Funding for Nonclassroom-Based Instruction	No (see below)
Annual Instruction Minutes Classroom-Based	No (see below)
Charter School Facility Grant Program	No (see below)

The District does not offer a Work Experience Program; therefore, we did not perform procedures related to the Work Experience Program within the Continuation Education Attendance Program.

The District did not have any employees retire under the CalSTRS Early Retirement Incentive program; therefore, testing was not required.

The District does not have any Juvenile Court Schools; therefore, we did not perform procedures related to Juvenile Court Schools.

The District does not have any Middle or Early College High Schools; therefore, we did not perform procedures related to Middle or Early College High Schools.

We did not perform Apprenticeship: Related and Supplemental Instruction procedures because the program is not offered by the District.

We did not perform District of Choice procedures because the program is not offered by the District.

The District does not offer a Before School Education and Safety Program; therefore, we did not perform procedures related to the Before School Education and Safety Program.

The District does not offer an Independent Study - Course Based program; therefore, we did not perform any procedures related to the Independent Study - Course Based Program.

The District does not operate any Charter Schools; therefore, we did not perform procedures for Charter School Programs.

Basis for Qualified Opinion on Independent Study

As described in the accompanying *Schedule of State Compliance Findings and Questioned Costs*, San Leandro Unified School District did not comply with requirements regarding independent study as noted in finding 2020-001. Compliance with such requirements is necessary, in our opinion, for San Leandro Unified School District to comply with the requirements referred to above.

Qualified Opinion on Independent Study Program

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, San Leandro Unified School District complied, in all material respects, with the compliance requirements referred to above for the year ended June 30, 2020.

San Leandro Unified School District's response to the noncompliance finding(s) identified in our audit is(are) described in the accompanying *Schedule of State Compliance Findings and Questioned Costs*. San Leandro Unified School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Unmodified Opinion on Each of the Other Programs

In our opinion, San Leandro Unified School District complied with the laws and regulations of the state programs referred to above for the year ended June 30, 2020, except as described in the accompanying *Schedule of State Compliance Findings and Questioned Costs*.

The purpose of this report on state compliance is solely to describe the results of our testing based on the requirements of the *2019-2020 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

San Ramon, California
December 4, 2020

FINANCIAL STATEMENTS

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

FEDERAL AWARDS

Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Special Education Cluster	84.027, 84.173
Dollar threshold used to distinguish between type A and type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

STATE COMPLIANCE

Type of auditor's report issued on compliance for programs:	Qualified
Unmodified for all programs except for the following program which was qualified:	

<u>Name of Program</u>
Independent Study

None reported.

None reported.

The following findings represent instances of noncompliance and/or questioned costs relating to compliance with state laws and regulations. The findings have been coded as follows:

Five Digit Code	AB 3627 Finding Type
10000	Attendance
40000	State Compliance
42000	Charter School Facilities Program
43000	Apprenticeship: Related and Supplemental Instruction
61000	Classroom Teacher Salaries
62000	Local Control Accountability Plan
70000	Instructional Materials
71000	Teacher Misassignments
72000	School Accountability Report card

2020-001 Code 10000 – Attendance – Independent Study

Criteria or Specific Requirements

Education code requires independent study work product samples used to establish be maintained for subsequent review

Condition

Short term independent study work samples were not available for review at one site.

Questioned Costs

5.23 ADA at P2 and annual, or \$60,134 (5.23 ADA x \$11,497.98/ADA).

Context

Records related to short term independent study at one of eleven sites were not available for review.

Effect

Documents allowing tracing of attendance to the record of work completed and work samples were not provided. Unable to verify that pupil work product samples are related to the assignment pursuant to which the work was undertaken and reflects the curriculum adopted by the board.

Cause

Short term independent study work sample documents were not retained in a manner that allowed for retrieval when necessary.

Repeat Finding (Yes or No)

No

Recommendation

The District should ensure that records of independent study work products are maintained and easily accessible for review when needed.

Corrective Action Plan

The district agrees with this finding and recommendation. The requirement to keep copies of student independent study work is part of the district's operating procedures and documentation, and the procedure is being followed at all other school sites. The district will review short term independent study policies and procedures with all site principals and clerical staff who are responsible for administering, collecting, and maintaining short term independent study work. District staff will be assigned to verify that school sites are following the independent study requirements.

Except as specified in previous sections of this report, summarized below is the current status of all audit findings reported in the prior year's Schedule of Findings and Questioned Costs.

Financial Statement Findings

2019-001 Accounts Payable Accruals (Code 30000)

Criteria or Specific Requirements

The completeness and accuracy criteria of recording expenses in the proper time period under Generally Accepted Accounting Principles indicate that an analysis should be performed on services provided prior to the fiscal year end to determine if an expense should be recorded through the posting of an accounts payable for expenses that have not been paid by the fiscal year end. When actual values are not available, due to invoices not having been received or other situations, the District should review the facts and circumstances of the services or materials provided, consider contacting the vendor or using other methods, to accrue an estimated amount based on the most current available information for any work completed or materials received by the fiscal year end.

Condition

The District did not accrue approximately \$421,041 for the cost of services provided during the 2018-19 fiscal year for Measure J1 projects that were in progress over the fiscal year-end

Questioned Costs

Not Applicable.

Context

Services provided prior to June 30, 2019 had not been accrued.

Effect

The accounts payable and related expense accounts were understated in the Measure J1 Fund. The District accepted the proposed audit adjustment and the attached report reflects the inclusion of this amount.

Cause

The District process for estimating liabilities when no invoice has been received was not effective.

Repeat Finding (Yes or No)

No

Recommendation

The District should ensure that part of the fiscal year end close process is to verify that invoices have been received for all ongoing projects or amounts have been estimated where applicable. There are several methods that can be implemented if amounts need to be estimated, including estimates based on a prior month billing, estimating based on a percentage of completion, or estimating based on purchase order prices or contract rates.

Current status

Implemented

State Compliance Findings

2019-002 Independent Study (Code 10000)

Criteria or Specific Requirements

Education code requires independent study contracts be signed by both district personnel and the students parents prior to the start of the independent study projects

Condition

The District signatures on two short term independent study contracts for the K-3 grade span at two separate elementary schools were dated after the period of the independent study

Questioned Costs

P2 - \$24,631. The questioned cost was extrapolated to elementary school short term attendance as follows:
ADA of K-3 grade span at elementary schools 335.99 days / 135 days in period = 2.488815 ADA x \$9,897 per ADA = \$24,631.

Annual - \$23,605. 429.32 days/ 180 days in period = 2.39 ADA x \$9,897 per ADA = \$23,605

Context

Contracts were signed after the work was performed.

Effect

Not in compliance with education code requirements to sign contracts prior to start of work

Cause

The District process for verifying contracts signed prior to start of work was not effective

Repeat Finding (Yes or No)

No

Recommendation

The District should ensure that independent study contracts are signed prior to the start of the work.

Current status

Implemented.

APPENDIX B

GENERAL AND FINANCIAL INFORMATION ABOUT THE DISTRICT

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

DISTRICT GENERAL INFORMATION

The District

The San Leandro Unified School District (the "**District**") was formed in 1952 and includes approximately 12.4 square miles in the central part of Alameda County. The District currently operates 13 schools, consisting of 8 elementary school (grades K-5), 2 middle schools (grades 6-8), 1 comprehensive high school (grades 9-12), 1 continuation high school, 1 adult school and 1 independent study program. The District's enrollment for 2020-21 is approximately 9,067 students.

Superintendent and Administrative Personnel

The District is governed by a seven-member Board of Education, with each member elected to a four-year term in staggered years. The District is divided into six trustee areas, and trustees are nominated from each trustee area, with one trustee nominated from the District at large. Current members of the Board of Education, together with their office and the date their term expires, are listed below:

SAN LEANDRO UNIFIED SCHOOL DISTRICT Board of Education

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Evelyn Gonzalez	President	December 2024
Christian Rodriguez	Vice President	December 2022
James Aguilar	Clerk	December 2022
Peter Oshinski	Member	December 2024
Diana J. Prola	Member	December 2024
Leo Sheridan	Member	December 2022
Monique Tate	Member	December 2024

The day-to-day operations are managed by a board-appointed Superintendent of Schools. Michael McLaughlin, Ed.D. is serving in this capacity. Kevin Collins, Ed.D., is the Assistant Superintendent of Business and Operations.

Enrollment

The following table shows recent and projected enrollment history for the District.

SAN LEANDRO UNIFIED SCHOOL DISTRICT
Annual Enrollment
Fiscal Years 2007-08 through 2020-21

<u>School Year</u>	<u>Enrollment</u>	<u>Percent Change</u>
2007-08	8,719	(0.1)
2008-09	8,795	0.9
2009-10	8,801	0.1
2010-11	8,822	0.2
2011-12	8,870	0.5
2012-13	8,704	(1.9)
2013-14	8,673	(0.4)
2014-15	8,617	(0.6)
2015-16	8,560	(0.7)
2016-17	8,638	0.9
2017-18	8,880	2.8
2018-19	8,926	0.5
2019-20	9,067	1.6
2020-21 ⁽¹⁾	9,067	0.0

(1) As set forth in Second Interim Report for fiscal year 2020-21.

Source: California Department of Education for 2007-08 through 2018-19; The District for Fiscal Year 2019-20 and 2020-21.

District's Response to COVID-19 Pandemic

To reduce the potential for community transmission of COVID-19 and in accordance with all official recommendations, guidelines and mandates, the District closed its facilities with respect to in-person instruction in March 2020. Thereafter, distance learning was implemented, which extended through the end of the 2019-20 academic year. The District has prepared learning plans that provide education in distance and blended/hybrid learning formats and has adjusted its teaching mode as needed to adjust to all applicable orders and mandates, with guidance from the State and local officials. The District has prepared a Reopening Readiness Dashboard available to the community on the District's web site, and opened some small, targeted programs at school sites on March 15, 2021. Expanded in-person hybrid offerings are expected soon (by approximately April 12), with distance learning remaining an option for students.

The District has received or expects to receive one-time federal and State funding to address expenses arising due to COVID-19 pandemic in the combined approximate amount of \$20 million, with additional federal funds expected pursuant to the ARP Act which was approved in March 2021. The funds which have been received by the District have been spent to date on addressing costs that have arisen due to COVID-19, including acquiring personal protective equipment, instructional software, chrome books, cleaning and sanitizing facilities and establishing several Wi-Fi hotspots. Funds are expected to be expended over a period of three years. The District has realized some cost-savings resulting from not operating its sites, such as reductions in costs relating to substitute teachers, reduced electricity costs and costs relating to transportation and fuel, which have offset some of the expenses resulting from the COVID-19 pandemic.

The District is funded pursuant to the State's education funding formula known as LCFF, and as such, the District's main operating revenues will be affected by the State's financial position. The extent of the impact of the COVID-19 pandemic on education funding cannot be fully predicted. See herein under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS" for information on the State's current and proposed budgets.

With respect to pension costs, the District cannot currently predict if the COVID-19 emergency will have a material impact on its required employer contributions which could rise if the unfunded actuarial accrued liabilities of PERS and STRS materially increase, although the State reduced employer contribution rates as part of its fiscal year 2020-21 Budget in response to the COVID-19 pandemic.

The District maintains reserves for economic uncertainties, which exceed the State's required minimum reserve of three percent of expenditures and has a projected ending fund balance (combined restricted and unrestricted) for fiscal year 2020-21 of approximately 13.24% of expenditures. See "DISTRICT FINANCIAL INFORMATION – District Budget and Interim Financial Reporting - District Reserves."

The impacts of the COVID-19 emergency on global, State-wide and local economies, which could impact District operations and finances, and local property values are unknown and cannot be predicted by the District. See also information in the front half of this Official Statement under the heading "SECURITY FOR THE BONDS - Disclosure Relating to COVID-19 Pandemic."

Employee Relations

During fiscal year 2020-21, the District employs 483.0 Certificated full-time equivalent ("FTE") employees, 300 Classified FTE employees, and 50.0 FTE management, confidential and special services employees FTE employees.

The certificated and classified employees of the District are represented by three bargaining units, as set forth in the following table. The District has historically had a good working relationship with each of its bargaining units and has experienced no work stoppages by represented personnel in the past ten years.

BARGAINING UNITS San Leandro Unified School District

Employee Group	Representation	Contract Expiration Date
Certificated	San Leandro Teachers Association	June 30, 2021
Classified	California School Employees Association	June 30, 2021
Classified	Teamster Union Local 856 (Alameda Building Trade)	June 30, 2021

Source: San Leandro Unified School District.

Insurance; Risk Management

Property and Liability Insurance. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, cyber intrusions and natural disasters. During fiscal year ending June 30, 2020, the

District contracted with East Bay Schools Insurance Group (“**EBSIG**”) for property and liability insurance coverage. Coverage includes cybersecurity incidents. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years, and there have not been significant reductions in coverage. EBSIG is not a component of the District for financial reporting purposes.

Workers’ Compensation Insurance. For fiscal year 2019-20, the District participated in the Alameda County Schools Insurance Group (“**ACSIG**”), an insurance purchasing pool. The intent of ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in ACSIG. The workers’ compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in ACSIG. Each participant pays its workers’ compensation premium based on its individual rate. Total savings are then calculated and each participant’s individual performance is compared to the overall savings percentage of each participating district. A participant will then either receive money from or be required to contribute to the “equity-pooling fund”. This “equity pooling” arrangement ensures that each participant shares equally in the overall performance of ACSIG. Participation in ACSIG is limited to districts that can meet the ACSIG selection criteria. ACSIG is not a component of the District for financial reporting purposes.

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DISTRICT FINANCIAL INFORMATION

Education Funding Generally

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

From 1973-74 to 2012-13, California school districts operated under general purpose revenue limits established by the State Legislature. In general, revenue limits were calculated for each school district by multiplying (1) the average daily attendance ("**ADA**") for such district by (2) a base revenue limit per unit of ADA. The revenue limit calculations were adjusted annually in accordance with a number of factors designated primarily to provide cost of living increases and to equalize revenues among all California school districts of the same type. Funding of the District's revenue limit was provided by a mix of local property taxes and State apportionments of basic and equalization aid. Generally, the State apportionments amounted to the difference between the District's revenue limit and its local property tax revenues.

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

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is \$2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.
- A 20% supplemental grant for English learners, students from low-income families and foster youth to reflect increased costs associated with educating those students.
- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.
- An economic recovery target to ensure that almost every local education agency receives at least their pre-recession funding level, adjusted for inflation, at full implementation of the LCFF.

The LCFF was implemented for fiscal year 2013-14 and was phased in over a period of five fiscal years. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**")), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts had the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap. Full implementation occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

Funding levels used in the LCFF target entitlement calculations, not including any supplemental or concentration grant funding entitlements, for fiscal year 2020-21 are set forth in the following table. Full implementation of LCFF occurred in fiscal year 2018-19 in connection with adoption of the State Budget for said fiscal year.

**Fiscal Year 2020-21 Base Grant* Under LCFF by Grade Span
(Targeted Base Grant)**

Entitlement Factors per ADA	K-3	4-6	7-8	9-12
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Statutory COLA (2.31%)	\$178	\$181	\$186	\$215
2020-21 Base Grant Before Deficit Factor	\$7,880	\$7,999	\$8,236	\$9,544
Deficit Factor Impact	(\$178)	(\$181)	(\$186)	(\$215)
2020-21 Base Grants After Deficit Factor	\$7,702	\$7,818	\$8,050	\$9,329
Grade Span Adjustment Factors	10.4%	--	--	2.6%
Grade Span Adjustment Amounts	\$801	--	--	\$243
2020-21 Adjusted Base Grants†	\$8,503	\$7,818	\$8,050	\$9,572

*Does not include supplemental and concentration grant funding entitlements.

†Reflects 0% cost of living adjustment from fiscal year 2019-20. The proposed State budget for fiscal year 2021-22, if approved as presented, would backfill the cost of living increase owed to the District in fiscal year 2020-21. See below under the heading "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS - Proposed 2021-22 State Budget."

Source: San Leandro Unified School District.

The LCFF includes a "hold harmless" provision which provides that a district or charter school will maintain total revenue limit and categorical funding at least equal to its 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

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

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

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

District Accounting Practices

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

District accounting is organized on the basis of fund groups, with each group consisting of a separate set of self-balancing accounts containing assets, liabilities, fund balances, revenues and expenditures. The major fund classification is the general fund which accounts for all financial resources not requiring a special fund placement. The District's fiscal year begins on July 1 and ends on June 30.

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

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

Financial Statements

General. The District's Audited Financial Statements for the fiscal year ending fiscal year 2019-20 were prepared by Eide Bailly LLP, San Ramon, California (the "**Auditor**"). Audited financial statements for the District for the fiscal year ended June 30, 2020 and prior fiscal years are on file with the District and available for public inspection at the Superintendent's Office. See Appendix A hereto for the 2019-20 Audited Financial Statements. Copies of such financial statements will be mailed to prospective investors and their representatives upon written request to the District. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly,

the Auditor has not performed any post-audit review of the financial condition or operations of the District.

General Fund Revenues, Expenditures and Changes in Fund Balance. The following table shows recent audited income and expense statements for the District's General Fund.

GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Years 2015-16 through 2019-20 (Audited)
San Leandro Unified School District

	Audited 2015-16	Audited 2016-17	Audited 2017-18	Audited 2018-19	Audited 2019-20
<u>Revenues</u>					
LCFF	\$72,892,369	\$74,695,780	\$79,171,158	\$86,047,650	\$92,163,590
Federal revenues	4,533,313	4,548,829	4,514,393	4,709,650	4,517,404
Other state revenues	11,861,280	9,065,312	9,653,209	15,223,154	12,429,299
Other local revenues	3,608,170	6,366,008	6,793,022	7,138,208	5,894,345
Total Revenues	92,895,132	94,675,929	100,131,782	113,118,970	115,004,638
<u>Expenditures</u>					
Current					
Instruction	57,255,815	58,867,294	65,840,408	72,182,753	73,928,320
Instruction-related activities:					
Supervision of instruction	4,190,805	4,044,840	3,648,703	3,866,640	3,679,252
Library, media & technology	1,685,627	1,478,587	1,240,940	1,638,917	1,764,299
School site administration	6,360,241	6,030,942	5,735,389	6,575,731	6,411,903
Pupil services:					
Home-to-school transportation	1,054,989	2,397,016	2,142,412	2,506,426	2,180,505
Food services	--	--	--	--	19,349
All other pupil services	4,153,363	5,240,922	4,579,095	4,983,536	5,259,301
Administration:					
Data processing	1,385,953	1,450,533	1,271,751	1,039,612	770,554
All other administration	4,271,009	4,242,965	4,528,803	5,134,392	5,278,104
Plant services	7,911,322	7,867,437	7,670,801	8,649,200	8,515,104
Facility acquisition and construction	428,372	59,256	48,560	773,487	851,637
Ancillary services	481,891	846,606	812,413	1,217,000	761,911
Other outgo	1,165,025	976,790	1,374,578	1,311,613	--
Enterprise services	485,254	--	--	--	--
Principal	130,000	520,265	--	--	162,215
Interest and other	109,150	112,199	--	--	--
Total Expenditures	91,068,816	94,135,652	98,893,853	109,879,307	109,582,708
Excess of Revenues Over/(Under) Expend.	1,826,316	540,277	1,237,929	3,239,663	5,421,930
<u>Other Financing Sources (Uses)</u>					
Operating transfers in	270,049	288,000	--	--	1,735,117
Operating transfers out	(1,090,616)	--	(224,566)	(144,905)	(110,968)
Other sources (uses)	--	(128,583)	--	--	(1,269,971)
Total Other Fin. Source (Uses)	(820,567)	159,417	(224,566)	(144,905)	354,178
Net change in fund balance	1,005,749	699,694	1,013,363	3,094,758	5,776,108
Fund Balance, July 1	4,873,774	5,879,523	6,579,218	7,592,582	10,687,340
Fund Balance, June 30	\$5,879,523	\$6,579,217	\$7,592,581	\$10,687,340	\$16,463,448

Source: San Leandro Unified School District Audit Reports.

District Budget and Interim Financial Reporting

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

Under current law, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Alameda County Superintendent of Schools (the "**County Superintendent**").

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

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

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

Interim Certifications Regarding Ability to Meet Financial Obligations. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-

current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues the following types of certifications:

- **Positive certification** - the school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years.
- **Negative certification** - the school district will be unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year.
- **Qualified certification** - the school district may not meet its financial obligations for the current fiscal year or subsequent two fiscal years.

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

District's Budget Approval/Disapproval and Certification History. During the past five years, each of the District's adopted budgets have been approved by the County Superintendent and the District has certified each of its interim reports as positive.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at San Leandro Unified School District, 835 E. 14th Street, Suite 200, San Leandro, California 94577, telephone: 510-667-6234. The District may impose charges for copying, mailing and handling.

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District's General Fund Fiscal Year Fiscal Year 2020-21. The following table shows the budgeted revenues, expenditures and changes in fund balances for the District's general fund for fiscal year 2020-21 (budgeted/projected).

**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
Fiscal Year 2020-21 (Adopted Budget and Second Interim Projections)
San Leandro Unified School District**

	Adopted Budget 2020-21	Second Interim 2020-21
<u>Revenues</u>		
LCFF Sources	\$91,713,695	\$89,614,994
Federal Revenues	5,693,707	13,025,561
Other State Revenues	9,443,899	10,698,849
Other Local Revenues	6,956,599	7,119,739
Total Revenues	113,807,900	120,459,144
<u>Expenditures</u>		
Certificated Salaries	54,648,786	54,607,128
Classified Salaries	14,312,417	14,189,665
Employee Benefits	21,911,344	22,681,706
Books and Supplies	2,785,490	9,588,121
Contract Services & Operating Exp.	16,786,198	18,643,273
Capital Outlay	131,900	131,900
Other Outgo (Excluding Indirect Costs)	1,281,582	1,264,121
Other Outgo – Transfers of Indirect Costs	(287,555)	(155,718)
Total Expenditures	111,570,165	120,950,199
Excess of Revenues Over/(Under) Expenditures	2,237,735	(491,054)
<u>Other Financing Sources (Uses)</u>		
Operating Transfers In	--	--
Operating Transfers Out	(110,000)	(110,000)
Contributions	--	--
Total Other Financing Sources (Uses)	(110,000)	(110,000)
Net Change in Fund Balance	2,127,735	(601,054)
Fund Balance, July 1(1)	13,362,409	16,469,447
Fund Balance, June 30	\$15,490,145	\$15,868,392

(1) As shown in Second Interim Report.

Source: San Leandro Unified School District Fiscal Year 2020-21 Second Interim Report.

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

Under State law (Education Code Section 42127.01), there are certain restrictions on the amount of reserves that can be maintained by LCFF-funded districts with ADA over 2,500. State law provides that 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 three percent of the

combined total of General Fund revenues appropriated for school districts, the school district budget shall not contain a combined assigned or unassigned ending general fund balance that is in excess of ten percent of those funds. A county superintendent of schools may grant a school district under its jurisdiction an exemption from the requirements under certain circumstances.

The District cannot predict if or when the foregoing reserve cap will be triggered, or when or how any additional changes to legal provisions governing the reserve cap would impact its reserves and future spending.

Attendance - Revenue Limit and LCFF Funding

As described herein, prior to fiscal year 2013-14, school districts in California derived most State funding based on a formula which considered a revenue limit per unit of ADA. With the implementation of the LCFF, commencing in fiscal year 2013-14, school districts receive base funding based on ADA, and may also be entitled to supplemental funding, concentration grants and funding based on an economic recovery target.

Funding Trends Under LCFF. The following table sets forth ADA and total LCFF funding for the District for fiscal year 2013-14 through 2020-21 (Budgeted).

AVERAGE DAILY ATTENDANCE AND STATE FUNDING UNDER LCFF Fiscal Years 2013-14 through 2020-21 (Budgeted) San Leandro Unified School District

Fiscal Year	ADA⁽²⁾	Total Funding Under LCFF
2013-14	8,347	\$55,971,986
2014-15	8,298	63,133,986
2015-16	8,147	72,892,369
2016-17	8,221	74,695,780
2017-18	8,439	79,171,158
2018-19	8,470	86,047,958
2019-20	8,614	92,163,590
2020-21 ⁽¹⁾	8,614	89,614,994

(1) Second Interim Projection for FY 2019-20

(2) Represents average across grade spans; funded ADA.

Source: San Leandro Unified School District.

Targeted Students Unduplicated Count. Under LCFF, school districts are entitled to supplemental funding based on the unduplicated count of targeted students. Concentration grant funding is available for districts with unduplicated counts above 55%. The District's percentage of unduplicated students is above 55%, at approximately 68%, and therefore the District is eligible for both supplemental and concentration grant funding under LCFF.

Possible Impacts of COVID-19. As described herein, the short-term and long-term impact of COVID-19 on the District's attendance, revenues and local property values cannot be predicted. The Bonds described in this Official Statement are secured by *ad valorem* property taxes, and not the District's general fund. See "SECURITY FOR THE BONDS – Disclosure Relating to COVID-19."

Revenue Sources

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

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

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

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

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

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

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

For additional discussion of State aid to school districts, see "-State Funding of Education; Recent State Budgets."

Other Local Revenues. The District receives additional local revenues from items such as lease income, interest earnings, rental income, donations and other local sources, including a voter-approved parcel tax described in more detail below.

Parcel Tax Measure. At the November 6, 2018 election, the qualified voters in the District approved Measure I, a \$39 per parcel annual tax to be levied on parcels in the District with an inflation factor. The parcel tax is levied and collected on an ongoing basis as of July 1, 2019. The District raises an estimated \$745,000 per

year from parcel tax proceeds to support educational programs. Exemptions include Senior Citizens, and residents receiving Supplemental Security Income, and Social Security Disability Insurance.

District Retirement Systems

Qualified employees of the District are covered under multiple-employer defined benefit pension plans maintained by agencies of the State. Certificated employees are members of the State Teachers' Retirement System ("**STRS**") and classified employees are members of the Public Employees' Retirement System ("**PERS**"). Both STRS and PERS are operated on a Statewide basis. *The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Underwriter.*

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the financial statements for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. See "APPENDIX A - SAN LEANDRO UNIFIED SCHOOL DISTRICT AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR 2019-20" for further information.

STRS. All full-time certificated employees participate in STRS, a cost-sharing, multiple-employer contributory public employee retirement system. STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended. The program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers and the State. The District's contribution to STRS for recent fiscal years are set forth in the following table.

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STRS Contributions
San Leandro Unified School District
Fiscal Years 2010-11 through 2020-21 (Projected)

Fiscal Year	Amount
2010-11	\$3,068,640
2011-12	3,202,455
2012-13	3,227,688
2013-14	3,444,168
2014-15	3,893,895
2015-16	4,806,023
2016-17	5,989,418
2017-18	7,115,349
2018-19	8,534,371
2019-20	9,233,571
2020-21 ⁽¹⁾	13,916,043

(1) Second Interim Projection. Increases attributed to increase in contribution rates and modified accounting reporting requirements, which include reporting the District's proportionate share of the plan's net pension liability and recognizing on-behalf STRS contributions in governmental funds.

Source: San Leandro Unified School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately \$102.6 billion as of June 30, 2019 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("**AB 1469**"), which represents a legislative effort to fund the unfunded actuarial obligation with respect to service credited members of the STRS Defined Benefit Program before July 1, 2014, within 32 years. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.88% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, 2018-19, and 2019-20 were 10.73%, 12.58%, 14.43%, 16.28%, and 17.10% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2020-21 through fiscal year 2022-23 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2020-21 through 2022-23

Fiscal Year	Employer Contribution Rate⁽¹⁾
2020-21 ⁽²⁾	16.15%
2021-22	16.02
2022-23	18.10

(1) Expressed as a percentage of covered payroll.
Rates may change based on actual experience and other factors.

(2) Reflects changes to such rates included in the State's 2020-21 Budget.

Source: AB 1469.

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

PERS Contributions
San Leandro Unified School District
Fiscal Years 2010-11 through 2020-21 (Projected)

Fiscal Year	Amount
2010-11	\$1,073,550
2011-12	1,108,185
2012-13	1,174,421
2013-14	1,311,855
2014-15	1,394,910
2015-16	1,526,315
2016-17	1,861,098
2017-18	2,064,627
2018-19	2,413,505
2019-20	2,951,047
2020-21 ⁽¹⁾	2,859,318

(1) Second Interim Projection.

Source: San Leandro Unified School District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately \$31.4 billion as of June 30, 2019 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. In November 2015, PERS adopted a funding risk mitigation policy intended to incrementally lower its discount rate

(its assumed rate of investment return) in years of good investment returns, help pay down the pension fund's unfunded liability, and provide greater predictability and less volatility in contribution rates for employers. In December 2016, PERS voted to lower its discount rate from the current 7.5% to 7.0% over the next subsequent three years according to the following schedule.

PERS DISCOUNT RATE
Fiscal Years 2018-19 through 2020-21

Fiscal Year	Amount
2018-19	7.375%
2019-20	7.250
2020-21	7.000

Source: PERS.

The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, was implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for fiscal years 2015-16, 2016-17, 2017-18, 2018-19, and 2019-20 were 11.847%, 13.888%, 15.531%, 18.062%, and 19.721% respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2020-21 through fiscal year 2022-23 are set forth in the following table.

EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2020-21 through 2022-23⁽¹⁾

Fiscal Year	Employer Contribution Rate⁽²⁾
2020-21	20.700%
2021-22	22.840
2022-23	25.500

(1) The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.

(2) Expressed as a percentage of covered payroll. Rates have been reduced following adoption of the fiscal year 2020-21 State Budget.

Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("PEPRA"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, except the retirement systems of the University of California, and charter cities and charter

counties whose pension plans are not governed by State law. PEPRAs provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRAs through collective bargaining.

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

With respect to the STRS pension program, employees hired after January 1, 2013 will pay the greater of either (1) 50% of the normal cost of their retirement plan, rounded to the nearest one-quarter percent, or (2) the contribution rate paid by then-current members (i.e., employees in the STRS plan as of January 1, 2013). The member contribution rate could be increased from this level through collective bargaining or may be adjusted based on other factors. Employers will pay at least the normal cost rate, after subtracting the member's contribution.

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

Additional Information. Additional information regarding the District's retirement programs is available in Notes 8 and 9 to the District's audited financial statements attached hereto as Appendix A. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Retirement Benefits

The Plan Generally. The postemployment Benefits Plan (the "**Plan**") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan as of June 30, 2020 consisted of 210 retirees and beneficiaries currently receiving benefits, and 10 active plan members. For more information regarding the District's Plan and OPEB (defined below), see Note 10 in the District's 2019-20 Audit in Appendix A hereto.

Implementation of GASB 75. In June 2015, the Governmental Accounting Standards Board (“GASB”) issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (“GASB 75”). Other post-employment benefits (meaning other than pension benefits) (“OPEB”) generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. The objective of GASB 75 is to improve accounting and financial reporting by the State and local governments for OPEB by requiring the recognition of entire OPEB liability, a more comprehensive measure of OPEB expense, new note disclosures and certain required supplementary information. In addition, GASB 75 sets forth additional accounting methods to improve the usefulness of information about OPEB included in the general purpose external financial reports of State and local governmental OPEB plans for making decisions and assessing accountability. GASB 75 results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. GASB 75 replaces GASB Statements Number 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended, and Number 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans. The District has implemented GASB 75 in its audited financial statements.

Contribution Information. The contribution requirements of Plan members and the District are established and may be amended by the District, the Teacher Education Association (“TEA”), the local California Service Employees Association (“CSEA”), and unrepresented groups. The required contribution is based on projected pay-as-you-go financing requirements. For fiscal year 2019-20, the District contributed \$584,699 to the Plan, all of which was used for current premiums. No assets have been accumulated in an irrevocable trust with respect to OPEB.

Actuarial Assumptions. The District’s total OPEB liability of \$10,556,773 was measured as of June 30, 2019 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2020. Assumptions applied by the actuary are identified in Note 10 of the fiscal year 2019-20 audited financial statements attached as Appendix A.

Changes in OPEB Liability of the District. The changes in OPEB liability of the District as of June 30, 2020, is shown in the following table:

**CHANGES IN TOTAL OPEB LIABILITY
San Leandro Unified School District**

Changes in the Total OPEB Liability

Balance at June 30, 2019	\$9,309,673
Service Cost	1,029
Interest	21,196
Differences between actual and expected experience	1,967,287
Changes of assumptions or other inputs	(167,560)
Benefit payments	<u>(574,852)</u>
Net change in total OPEB liability	<u>1,247,100</u>
Balance at June 30, 2020	\$10,556,773

Source: San Leandro Unified School District Audit Report

OPEB Expense. For the year ended June 30, 2020, the District recognized an OPEB expense of \$841,354. For more information regarding the District's OPEB and assumptions used in the Actuarial Study, see Note 9 in the District's 2019-20 Audit in Appendix A hereto.

Long-Term Indebtedness

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

General Obligation Bonds. The District has issued general obligation bonds and refunding general obligation pursuant to voter approvals received in 1997, 2006, 2010 and 2016. The following table summarizes the District's outstanding General Obligation bonds indebtedness.

SAN LEANDRO UNIFIED SCHOOL DISTRICT Outstanding General Obligation Bonds

Issue Date	Original Principal Amount	Name of Issue	Final Maturity	Amount Outstanding March 1, 2021*
02/13/2010	\$19,999,042.70	General Obligation Bonds, Election of 2006, Series C	08/01/39	\$12,980,063
05/01/2010	18,327,343.98	2010 General Obligation Revenue Bonds ⁽¹⁾	02/01/26	8,816,484
05/24/2011	30,000,000.00	General Obligation Bonds, Election of 2010, Series A	08/01/41	28,645,000
10/19/2011	7,560,000.00	2011 General Obligation Refunding Bonds	08/01/22	1,650,000
07/10/2013	11,670,000.00	General Obligation Bonds, Election of 2006, Series E	08/01/26	7,290,000
07/10/2013	20,100,000.00	General Obligation Bonds, Election of 2010, Series B	08/01/38	18,725,000
03/24/2015	11,745,000.00	General Obligation Series C Bonds, Series 2015A	08/01/29	11,745,000
05/21/2015	31,275,000.00	General Obligation Series C Bonds, Series 2015B	08/01/33	29,090,000
11/02/2016	17,900,000.00	2016 Refunding General Obligation Bonds	08/01/31	16,295,000
05/02/2017	47,260,000.00	General Obligation Bonds, Election of 2016, Series A	08/01/46	37,410,000
05/02/2017	23,675,000.00	2017 Refunding General Obligation Bonds	08/01/46	16,760,000
03/14/2019	50,240,000.00	General Obligation Bonds, Election of 2016, Series B	08/01/39	50,240,000
03/14/2019	3,250,000.00	General Obligation Bonds, Election of 2016, Series C	08/01/43	2,850,000
06/09/2020	74,995,000	General Obligation Bonds, Election of 2020, Series A	08/01/43	74,995,000
Total	\$367,996,386.68	--	--	\$317,491,547

*Not including accreted value with respect to 2006 Series B capital appreciation bonds.

(1) The Election of 2006, Series D Bonds were privately placed with the California Qualified School Bond Joint Powers Authority. Debt service payments on the Series D Bonds provide for the payment, together with a qualified school construction bond federal subsidy payment relating to a portion of interest, on the Authority's outstanding 2010 General Obligation Revenue Bonds, which were originally sold on a private placement basis to JP Morgan Chase Bank, N.A. The federal subsidy amount for interest due is subject to reduction due to federal sequestration, as may be applicable.

Source: San Leandro Unified School District.

Debt service payments on the bonds described in the foregoing table, including the Bonds described herein, are payable from *ad valorem* taxes levied and collected by the County on assessed property in the District. Below is more detail regarding the District's prior bond authorizations.

2006 Authorization. On November 7, 2006, the voters of the District approved authorization of \$109 million in general obligation bonds (the "**2006 Authorization**"), of which \$108,996,386 has been issued in five series between 2007 and 2013. Certain maturities of bonds issued pursuant to the 2006 Authorization have been refinanced with Refunding General Obligation bonds.

2010 Authorization. On November 2, 2010, the voters of the District approved authorization of \$50.1 million in general obligation bonds (the "**2010 Authorization**"), which was issued by the District in two separate series issued in 2011 and 2013.

2016 Authorization. On the November 8, 2016, the voters of the District approved authorization of \$104 million in general obligation bonds (the "**2016 Authorization**"). The District has issued the three series pursuant to the 2016 Authorization. The fourth issuance is the Series D Bonds described herein.

2020 Authorization. On the March 3, 2020, the voters of the District approved authorization of \$198 million in general obligation bonds (the "**2020 Authorization**"). The District has issued \$74,995,000 principal amount under the 2020 Authorization.

Accumulated Unpaid Employee Vacation. The long-term portion of accumulated unpaid employee vacation for the District as of June 30, 2020, amounted to \$566,439.

Capital Lease Obligation. The District has other capital lease obligations for various facilities and equipment. The District's liability on these lease agreements, with options to purchase, totaled \$549,092 as of June 30, 2020.

Short Term Borrowing - 2020-21 TRAN. The District has participated in a tax and revenue anticipation note ("**TRAN**") pooled issuance, which was issued on March 29, 2021. The issuer is California School Cash Reserve Program Authority, which issued \$129,685,000 in 2020-21 Bonds, Series M (Federally Taxable). The principal amount of the District's share of the TRAN is \$10,000,000 and it bears interest at a rate of 0.250% per annum. The TRAN matures on January 31, 2022.

Investment of District Funds

In accordance with Government Code Section 53600 *et seq.*, the Alameda County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. See "APPENDIX G - Alameda County Investment Policy and Investment Report."

Effect of State Budget on Revenues

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

The availability of State funds for public education is a function of constitutional provisions affecting school district revenues and expenditures (see "CONSTITUTIONAL AND STATUTORY

PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS” below), the condition of the State economy (which affects total revenue available to the State general fund), and the annual State budget process. The District cannot predict how education funding may further be changed in the future, or the state of the economy which in turn can impact the amounts of funds available from the State for education funding. The world is currently experiencing a global pandemic resulting from COVID-19, and the impacts on current and future State revenues and budgets cannot be predicted. See “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS” below. See also “SECURITY FOR THE BONDS – Disclosure Relating to COVID-19.”

STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. School districts in California receive operating income primarily from two sources: (1) the State funded portion which is derived from the State’s general fund, and (2) a locally funded portion, being a district’s share of the 1% general *ad valorem* tax levy authorized by the California Constitution (see “DISTRICT FINANCIAL INFORMATION – Education Funding Generally” above). School districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources.

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

As described below in the summaries of State budgeting documents and commentary of the LAO and the State Department of Finance, the COVID-19 pandemic is expected to have a material impact on State revenues and appropriations.

The following information concerning the State’s budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. None of the District, the Underwriter or the County is responsible for the information relating to the State’s budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer’s Office.

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

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

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

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

Recent State Budgets

Certain information about the State budgeting process and the State budget (the “**State Budget**”) is available through several State of California sources. A convenient source of information is the State’s website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District or the Underwriter and is not incorporated herein by reference.*

- The California State Treasurer Internet home page at www.treasurer.ca.gov, under the heading “Bond Finance” and sub-heading “-Public Finance Division”, (1) posts various State of California Official Statements, many of which contain a summary of the current State Budget, past State Budgets, and the impact of those budgets on school districts in the State, and (2) also posts various financial documents for the State under the “-Financial Information” link.
- The California Department of Finance’s Internet home page at www.dof.ca.gov, under the heading “California Budget”, includes the text of proposed and adopted State Budgets.
- The State Legislative Analyst’s Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst’s Internet home page at www.lao.ca.gov under the headings “The Budget” and “State Budget Condition.”

Prior Years’ Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools until a later date in the fiscal year or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, and the dissolution of local redevelopment agencies in part to make available

additional funding for local agencies. As a result of the COVID-19 pandemic and subsequent economic recession, budget-cutting strategies such as those used in recent years are being used and may continue to be used in the future during a period of budgetary strain.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2020-21 State Budget

Introduction and Background. The Governor signed the fiscal year 2020-21 State Budget (the “**2020-21 State Budget**”) on June 29, 2020. It notes that the COVID-19 pandemic impacted every sector of the State's economy and caused record high unemployment, and further action from the federal government is needed as a result of the crisis.

At the time of the Governor's proposed 2020-21 State Budget in January 2020, the State was projecting a surplus of \$5.6 billion. By the time of the May Revise, the State had projected a budget deficit of \$54.3 billion. The 2020-21 State Budget included measures to close this budget gap and bring the State's resources and spending into balance. The 2020-21 State Budget sustains the suspension of several ongoing programmatic expansions that were made in the 2019 Budget Act. In addition, the 2020-21 State Budget accelerates the suspension of most Proposition 56 (2016 tobacco tax measure) tax rate increases to July 1, 2021. Despite these measures, the State forecasted an operating deficit of \$8.7 billion in 2021-22, after accounting for reserves.

Closing the Budget Gap. The 2020-21 State Budget uses the following strategies to close the budget gap:

- **Reserve Draw Down:** Draws down \$8.8 billion in reserves, including from the State's Rainy Day Fund (\$7.8 billion), the Safety Net Reserve (\$450 million), and all of the funds in the Public School System Stabilization Account.
- **Triggers:** Includes \$11.1 billion in funding reductions and deferrals that will be restored if at least \$14 billion in federal 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 funding for schools. No such federal funds were received by such date.
- **Federal Funds:** Relies on \$10.1 billion in federal funds that provide State general fund relief, including \$8.1 billion already received.
- **Revenues:** 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 the 2020-21 fiscal year.
- **Borrowing/Transfers/Deferrals:** Relies on \$9.3 billion in special fund borrowing and transfers, as well as other deferrals for K-14 schools. Approximately \$900

million in additional special fund borrowing is associated with the reductions to employee compensation and is contained in the trigger.

- Other Solutions: Cancelling multiple program expansions and anticipating increased government efficiencies, higher ongoing revenues above the May Revision forecast and lower health and human services caseload costs than the May Revision estimated.

General Budget Highlights. Certain highlights of the 2020-21 State Budget are:

Emergency Response: COVID-19 and other emergency response efforts included in the 2020-21 State Budget are:

- Responding to COVID-19: The State expects to receive over \$72 billion in federal assistance to State programs, of which unemployment insurance represents about \$52 billion of this total. Under the CARES Act, the State received \$9.5 billion for various uses including \$4.4 billion to mitigate K-14 learning loss. The amount of \$5.9 million of General Fund spending for 2020-21 and \$4.8 million ongoing is allocated to support the State Department of Health's response to COVID-19.
- Enhancements to Emergency Responses and Preparedness: \$117.6 million is allocated to the State Office of Emergency Services to enhance emergency preparedness and response capabilities, including with respect to power outages, earthquakes, wildfires and cybersecurity.
- Forestry and Fire Protection: \$90 million is allocated to enhance CAL FIRE's fire protection capabilities, including for wildfire prediction and modeling technology.

Revenue Solutions. Revenue measures which are expected to net \$4.3 billion in 2020-21, \$3.1 billion in 2021-22 and \$1.3 billion in 2022-23, include:

- Certain Tax Measure Extensions. Extending certain tax measures including certain sales tax exemptions through the end of 2022-23, extending the carryover period for film credits from 6 years to 9 years, and extending the current exemption from the minimum tax for first year corporations to first year limited liability corporations, partnerships, and limited liability partnerships.
- Expansion of Earned Income Tax. Expanding the Earned Income Tax Credit to certain taxpayers.
- Changes to Tax Laws and Sales Tax. Changes in tax law including suspending net operating losses for 2020, 2021, and 2022 for medium and large businesses, and limiting certain business incentive tax credits, and with respect to closing the sale tax loss gap, requiring used car dealers to remit sales tax to the Department of Motor Vehicles with registration fees.

Recovery for Small Businesses. The 2020-21 State Budget includes a waiver of the minimum franchise tax for the first year of operation, \$100 million budgeted for the

State's small business loan program, \$25 million to provide capital to enable the origination of more loans in underbanked communities, and adding funding of \$758,000 ongoing for positions relating to small business support.

Housing. Up to \$500 million is allocated in State tax credits for low-income housing in 2021, under certain conditions. The 2020-21 State Budget provides \$331 million in National Mortgage Settlement funds to help prevent avoidable foreclosures and evictions, and \$8.3 billion across multiple departments and programs to address housing throughout the State.

K-12 Education Funding Summary. For K-12 education funding, the 2020-21 State Budget provides for funding under Proposition 98 of \$70.9 billion, which is more than \$10 billion below the minimum guarantee contained in the State's 2019-20 budget. For K-12 schools, this results in Proposition 98 per pupil spending of \$10,654 in 2020-21, which is a \$1,339 decrease over the 2019-20 per pupil spending levels. Additionally, in the same period, per pupil spending from all State, federal, and local sources decreased by approximately \$542 per pupil to \$16,881.

Efforts to mitigate the impact of the decline in K-12 funding in the 2020-21 State Budget include:

Deferrals: \$1.9 billion of LCFF apportionment deferrals in 2019-20, growing to \$11 billion LCFF apportionment deferrals in 2020-21. These deferrals will allow LCFF funding to remain at 2019-20 levels in both fiscal years. The statutory LCFF cost-of-living adjustment is suspended in 2020-21. Of the total deferrals, \$5.8 billion will be triggered off in 2020-21 if the federal funding becomes available.

Learning Loss Mitigation: A one-time investment of \$5.3 billion (\$4.4 billion federal Coronavirus Relief Fund, \$539.9 million Proposition 98 General Fund, and \$355.2 million federal Governor's Emergency Education Relief Fund) to local educational agencies to address learning loss related to COVID-19 school closures. Funds will be allocated to local educational agencies on an equity basis, with an emphasis on ensuring the greatest resources are available to local educational agencies serving students with the greatest needs.

Supplemental Appropriations: In 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 this funding reduction, the 2020-21 State Budget provides supplemental appropriations above the constitutionally-required Proposition 98 funding level, beginning in 2021-22, and in each of the next several fiscal years, in an amount equal to 1.5 percent of State general fund revenues per year, up to a cumulative total of \$12.4 billion.

Revised PERS and STRS Contributions. To provide local educational agencies with increased fiscal relief, the 2020-21 State Budget redirects \$2.3 billion appropriated in the 2019 Budget Act to STRS and PERS for long-term unfunded liabilities to reduce employer contribution rates in 2020-21 and 2021-22. This reallocation will reduce the STRS employer rate from 18.41% to approximately 16.15% in 2020-21 and from 17.9% to 16.02% in 2021-22. The PERS Schools Pool employer contribution rate will be further reduced from 22.67% to 20.7% in 2020-21 and from 24.6% to 22.84% in 2021-22.

Federal Funds. The 2020-21 State Budget appropriates \$1.6 billion in federal Elementary and Secondary School Emergency Relief funds that the State was recently awarded. Of this amount, 90% (\$1.5 billion) will be allocated to local educational agencies in proportion to the amount of Title I-A funding they receive to be used for COVID-19 related costs. The remaining 10% (\$164.7 million) is available for certain COVID-19 related State-level activities, such as providing additional funding for student meals and social services.

Special Education. The 2020-21 State Budget increases special education base rates to \$625 per pupil pursuant to a new funding formula, apportioned using the existing hold harmless methodology, and provides \$100 million to increase funding for students with low-incidence disabilities. Additional federal funding received by the State is also allocated to various special education programs.

Average Daily Attendance. To ensure funding stability regardless of the instructional model undertaken in the 2020-21 academic year, the 2020-21 State Budget includes a hold harmless for the average daily attendance used to calculate school funding for all local educational agencies and includes requirements for distance learning to ensure that, when in-person instruction is not possible, students continue to receive access to a quality education via distance learning.

In addition, the 2020-21 State Budget includes certain employee protection terms to ensure the continuity of employment for essential school staff during the COVID-19 pandemic. As such, the 2020-21 State Budget includes the suspension of the August 15, 2020, layoff window for teachers and other non-administrative certificated staff, and the suspension of layoffs for classified staff working in transportation, nutrition, and custodial services from July 1, 2020 through June 30, 2021. The 2020-21 State Budget also includes 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 the 2020-21 fiscal year.

Proposed 2021-22 Budget

On January 8, 2021, the Governor submitted his \$227.2 billion 2021-22 State Budget proposal (the “**2021-22 Proposed Budget**”) to the Legislature. The Governor calls for immediate legislative action to provide rapid relief to individuals, families and small businesses hit hardest by the COVID-19 pandemic, including direct payments to low-income workers, funding for grants to small businesses and small non-profit cultural institutions disproportionately impacted by the pandemic fee relief for small businesses including personal services and restaurants, funds to support and accelerate safe returns to in-person instruction starting in February 2021, and an increase in the State’s minimum wage to \$14 per hour.

Reflecting an improved economic outlook and a \$15 billion revenue surplus since adoption of the 2020-21 State Budget, highlights of the 2021-22 Proposed Budget include:

- \$85.8 billion in Proposition 98 funding for K-12 schools and community colleges, including \$2 billion to support and accelerate safe returns to in-person instruction, \$4.6 billion to help students bounce back from the impacts of the pandemic and \$400 million for school-based mental health services. See “– K-14 Education Spending” below.

- \$372 million to speed up administration of vaccines across all of California's 58 counties and a \$14 billion investment in the State's economic recovery, including direct cash supports of \$600 to millions of Californians through the Golden State Stimulus, extending new protections and funding to help keep people in their homes and investing in relief grants for small businesses.
- Budget reserves of \$34 billion, including \$15.6 billion in the Proposition 2 Budget Stabilization Account (Rainy Day Fund) for fiscal emergencies; \$450 million in the Safety Net Reserve; \$3 billion in the Public School System Stabilization Account; and an estimated \$2.9 billion in the state's operating reserve.
- In order to pay down the State's retirement liabilities, the 2021-22 Proposed Budget includes \$3 billion in additional payments required by Proposition 2 in 2021-22 and nearly \$6.5 billion over the next three years.

K-14 Education Spending. The 2021-22 Proposed Budget's improved revenue estimate results in the highest funding level ever at \$85.8 billion for K-12 schools and community college districts under Proposition 98, representing an increased investment of \$14.9 billion in K-12 schools and community colleges above the level funded as part of the 2020-21 State Budget. The Proposition 98 funding levels for the 2019-20 and 2020-21 fiscal years increased from 2020-21 State Budget levels by \$1.9 billion and \$11.9 billion, respectively, due almost exclusively to increased General Fund revenues in all fiscal years. Reflecting changes to Proposition 98 funding levels noted above, total K-12 per-pupil expenditures from all sources are projected to be \$18,837 in 2020-21 and \$18,000 in 2021-22—the highest levels ever (K-12 Education Spending Per Pupil). The decrease between the years 2020-21 and 2021-22 reflects the significant allocation of one-time federal funds which occurred in fiscal year 2020-21. Ongoing K-12 per-pupil expenditures of Proposition 98 funds are \$12,648 in 2021-22, an increase of \$1,994 per pupil over the level provided in the 2020-21 State Budget.

The 2021-22 Proposed Budget also includes \$4.6 billion in Proposition 98 General Fund revenues for extending learning time, including summer school programs and other strategies to address learning loss related to the pandemic. The 2021-22 Proposed Budget continues to commit \$2.3 billion in General Fund one-time funds in recognition of the additional costs schools face as they respond to the pandemic. The 2021-22 Proposed Budget directs a significant portion of additional funding to paying down nearly two-thirds of the funding deferrals implemented in 2020-21 and provides a 3.84% cost-of-living adjustment to the Local Control Funding Formula. The significant growth in capital gains and overall General Fund revenue growth also triggers deposits of roughly \$3 billion into the Public School System Stabilization Account, which may result in a statutory cap of 10 percent on local school district reserves beginning in 2022-23.

Funds to Implement In-Person Learning. The 2021-22 Proposed Budget includes \$2 billion of one-time Proposition 98 funding 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 charter schools that are open for in-person instruction by specified dates. For schools that continue offering or begin offering in-person instruction for at least all TK-2nd grade students, all students with disabilities, youth in foster care, homeless youth, and students without access to technology or high-speed Internet by February 16, and all 3rd-6th grade students by March 15, base grant amounts will be \$450, increasing to more than \$700 per

pupil for schools with a high enrollment of low-income students, youth in foster care, and English language learners. Schools with later start dates will qualify for a proportionally lower base grant, except those in counties with high rates of community spread. Schools in counties with high rates of community spread will be eligible for the full February grant amount if they open for in-person instruction pursuant to state and local health guidance once their rates of community spread sufficiently decline. Funds may be used for any purpose that supports in-person instruction, including enhancing and expanding COVID-19 testing, purchasing personal protective equipment, improving ventilation and the safety of indoor or outdoor learning spaces, teacher or classified staff salaries for those providing and supporting in-person instruction, and social and mental health support services provided in conjunction with in-person instruction. On March 4, 2021, the Governor signed into law Assembly Bill 86 (“**AB 86**”), urgency legislation which provides approximately \$6.6 billion to accelerate the return of in-person school instruction and expand student support. Specifically, AB 86 provides \$2 billion for in-person instruction grants to local educational agencies (with the exception of non-classroom based charter schools and independent study programs) that can be used for, among other things, personal protective equipment, ventilation upgrades and COVID-19 testing. The remaining \$4.6 billion is allocated for supplemental instruction and support for social and emotional well-being.

Federal Funds. The recent federal COVID-19 relief bill provides \$54.3 billion Elementary and Secondary Schools Emergency Relief Fund (“**ESSER**”) for public K-12 schools and \$4 billion Governor’s Emergency Education Relief Fund (“**GEER**”) for both public and private pre-kindergarten through higher education institutions. Based on prior allocations, the 2021-22 Proposed Budget projects that California could receive more than \$6 billion in ESSER funds and \$400 million in GEER funds.

LCFF Funding. Due to a significant reduction in available revenues, the 2020-21 State Budget did not provide a statutory cost-of-living adjustment for the LCFF in 2020-21. To make up for this, the 2021-22 Proposed Budget funds LCFF in 2021-22 with both the 2020-21 cost-of-living adjustment (2.31%) and the 2021-22 cost-of-living adjustment (1.5%), creating a compounded combined cost-of-living adjustment of 3.84%, and increasing ongoing LCFF funding by \$2 billion Proposition 98 General Fund, when adjusted for declining ADA. This increase brings total LCFF funding to \$64.5 billion, and funds all local educational agencies at their full LCFF target level.

Deferrals. Pandemic-driven revenue reductions anticipated at the time of the 2020-21 State Budget created the need to defer 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 2021-22 Proposed Budget pays off the full K-12 deferral in fiscal year 2019-20 and \$7.3 billion of the K-12 deferral in fiscal year 2020-21, leaving an ongoing K-12 deferral balance of \$3.7 billion in 2021-22. As a result, it is expected that local educational agencies will experience only a few weeks of delay in receiving apportionment in fiscal year 2021-22 (as opposed to ten-month deferrals in 2020-21), impacting only the June 2022 apportionment, which will be delayed into July 2022.

PERS and STRS Contributions. For fiscal year 2021-22, STRS will apply \$820 million to reduce the employer contribution rate from 18.1% to approximately 15.92%, and PERS will apply \$330 million to reduce the Schools Pool employer contribution rate from 24.9% to 23%.

School Facilities. The 2021-22 Proposed Budget continues to allocate \$1.5 billion of Proposition 51 bond funds to support school construction projects, which is more than double the amount allocated in fiscal year 2018-19.

Higher Education. The 2021-22 Proposed Budget proposes a General Fund increase of \$786 million for the University of California and the California State University with an expectation that they focus on measurable goals to address equity gaps, further maintain online educational opportunities and expand dual admissions and other innovative strategies that reduce time to degree completion. The 2021-22 Proposed Budget also assumes resident tuition and fees remain flat in 2021-22.

Disclaimer Regarding State Budgets

The execution of State budgets, including proposed budgets, may be affected by numerous factors, including but not limited to: (i) shifts in costs from the federal government to the State, (ii) national, State and international economic conditions, (iii) litigation risks associated with proposed spending reductions, (iv) rising health care costs and/or other unfunded liabilities, such as pension or OPEB, and (v) numerous other factors, all or any of which could cause the revenue and spending projections included in such budgets to be unattainable. The District cannot predict the impact that the 2020-21 State Budget or subsequent State Budgets, will have on its own finances and operations. However, the Bonds are secured by *ad valorem* taxes levied and collected on taxable property in the District, without limit as to rate or amount, and are not secured by a pledge of revenues of the District or its general fund.

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

Availability of State Budgets

The complete adopted State budgets and related information are available from the California Department of Finance website at www.ebudget.ca.gov. Impartial analyses of these documents are published by the Legislative Analyst Office and can be accessed at www.lao.ca.gov/budget. The District can take no responsibility for the continued accuracy of internet addresses referenced herein or for the accuracy, completeness or timeliness of information posted on these sites, and such information is not incorporated in this Official Statement by these references. The information referred to above should not be relied upon when making an investment decision with respect to the Bonds.

Uncertainty Regarding Future State Budgets

The District cannot predict what actions will be taken in future years by the State legislature or the Governor to address the State's current or future revenues and expenditures or possible future budget deficits. Future State Budgets will be affected by national and State economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State Budget process results in reduced revenues to the District, the District will be required to make adjustments to its own budgets.

Legal Challenges to State Funding of Education

The application of Proposition 98 and other statutory regulations has been the subject of various legal challenges in the past. The District cannot predict if or when there will be changes to education funding or legal challenges which may arise relating thereto.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Principal of and interest on the Bonds are payable from the proceeds of an *ad valorem* tax levied by the County for the payment thereof. Articles XIII A, XIII B, XIII C, and XIII D of the State Constitution, Propositions 62, 98, 111 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the District to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIII A and all applicable laws.

Constitutionally Required Funding of Education

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

Article XIII A of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIII A to the State Constitution ("**Article XIII A**"). Article XIII A 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) (as a result of an amendment to Article XIII A approved by State voters on June 3, 1986) on 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 (which provided the authority for the issuance of the Refunded Bonds), and (iii) (as a result of an amendment to Article XIII A approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college

district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIII A 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 XIII A 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.

Both the United States Supreme Court and the California State Supreme Court have upheld the general validity of Article XIII A.

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

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

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

Article XIII B of the California Constitution

Article XIII B (“**Article XIII B**”) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for

changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIII B, as amended.

The appropriations of an entity of local government subject to Article XIII B limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

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

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

Unitary Property

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

Articles XIIC and XIID 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 XIIC and XIID (respectively, “**Article XIIC**” and “**Article XIID**”), 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 XIIC 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 XIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIII A of the California Constitution and special taxes approved by a two-thirds vote under Article XIII A, Section 4.

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIC to expand the definition of “tax” to include “any levy, charge, or exaction of any kind imposed by a local government” except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.

Article XIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIC or XIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

While the provisions of Proposition 218 may have an indirect effect on the District, such as by limiting or reducing the revenues otherwise available to other local governments whose boundaries encompass property located within the District (thereby causing such local governments to reduce service levels and possibly adversely affecting the value of property within

the District), the District does not believe that Proposition 218 will directly impact the revenues available to pay debt service on the Bonds.

Proposition 98

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

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

Proposition 111

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

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

Annual Adjustments to Spending Limit. The annual adjustments to the Article XIII B spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the “change in the cost of living” is now measured by the change in California *per capita* personal income. The definition of “change in population” specifies that a portion of the State’s spending limit is to be adjusted to reflect changes in school attendance.

Treatment of Excess Tax Revenues. “Excess” tax revenues with respect to Article XIII B are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be

transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the schools' minimum funding level. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIII B spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over \$15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

Recalculation of Appropriations Limit. The Article XIII B appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the "**first test**") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to *per capita* personal income) and enrollment (the "**second test**"). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the "**third test**"). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools (also referred to as a "maintenance factor") which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as "**Proposition 39**") to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55 percent (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1 percent limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government

debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 30 and Proposition 55

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

The revenues generated from the temporary tax increases will be included in the calculation of the Proposition 98 minimum funding guarantee for school districts and community college districts. See “-Proposition 98” and “-Proposition 111” above. From an accounting perspective, the revenues generated from the temporary tax increases will be deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the “**EPA**”). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to school districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than \$200 per unit of ADA and no community college district will receive less than \$100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that, the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing boards are prohibited from using any funds from the

EPA for salaries or benefits of administrators or any other administrative costs.

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

Proposition 1A and Proposition 22

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

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

Because Proposition 22 reduces the State's authority to use or reallocate certain revenue sources, fees and taxes for State general fund purposes, the State will have to take other actions to balance its budget, such as reducing State spending or increasing State taxes, and school and

college districts that receive Proposition 98 or other funding from the State will be more directly dependent upon the State's general fund.

California Senate Bill 222

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

Proposition 19

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

Future Initiatives

Article XIII A, Article XIII B, Article XIII C and Article XIII D of the California Constitution and Propositions 98, 111, 22, 1A, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF SAN LEANDRO AND ALAMEDA COUNTY

The following information concerning the City of San Leandro (the “City”) and Alameda County (the “County”) is included only for the purpose of supplying general information regarding the area of the District. The Bonds are not a debt of the City, the County, the State of California (the “State”) or any of its political subdivisions, and neither the City, the County, the State nor any of its political subdivisions is liable therefor.

The historical data and results presented in the tables that follow may differ materially from future results as a result of economic or other factors. For more information on the impact of the COVID-19 pandemic, see “SECURITY FOR THE BONDS – Disclosure Relating to COVID-19” herein. See also references to COVID-19 in the section entitled “PROPERTY TAXATION”, and in APPENDIX B under the heading “DISTRICT GENERAL INFORMATION” and “STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS.”

The City

General Information. The City encompasses 15.5 square miles located in central Alameda County, about 20 miles southeast of San Francisco and 390 miles north of Los Angeles. The City is a well-diversified community with residential, commercial, and industrial development within the City. The industrial makeup of the City has been changing, moving away from its traditional manufacturing base toward more of an emphasis on services and warehousing industries. The median temperatures for January and July are 48.6 degrees Fahrenheit and 63.1 degrees Fahrenheit respectively. Rainfall averages 18.69 inches per year.

Municipal Government. Incorporated in 1872, the City is a charter city organized under a Mayor, Council, City Manager form of government. The City Council consists of six Members from six districts and a Mayor. The Mayor and Councilmembers are nominated by district and elected at large. Each may serve a maximum of two consecutive four year terms.

The City Council appoints the City Manager, who is the City’s Chief Administrative Officer. The City Manager directs and supervises all City departments, prepares and administers the annual City budget, and plans and implements key projects.

The County

The County is located on the east side of the San Francisco Bay, extending to the City of Albany on the north, the City of Fremont on the south, and to the City of Livermore on the east, and is approximately ten miles west of San Francisco. Automobile access to San Francisco is provided by the San Francisco-Oakland Bay Bridge.

The northern part of the County has direct access to San Francisco Bay and the City of San Francisco. It is highly diversified with residential areas, active commercial areas, traditional heavy industry, the University of California at Berkeley, the Port of Oakland, and sophisticated manufacturing, computer services and biotechnology firms. The middle of the County is also highly developed including older established residential and industrial areas. The southeastern corner of the County, including the cities of Pleasanton and Livermore, has seen strong growth in

residential development and manufacturing. Many high-tech firms have moved from neighboring Silicon Valley in Santa Clara County to the County.

Population

The following table shows population estimates for the City and the County for the past five years as of January 1.

ALAMEDA COUNTY
Population Estimates
Calendar Years 2016 through 2020 as of January 1

	2016	2017	2018	2019	2020
Alameda	80,460	81,073	81,275	81,618	81,312
Albany	18,565	18,587	18,867	18,961	18,937
Berkeley	120,059	121,050	121,752	122,358	122,580
Dublin	57,153	59,281	61,666	64,132	65,716
Emeryville	11,895	12,045	12,000	12,041	12,298
Fremont	230,243	232,010	232,685	233,404	234,220
Hayward	157,790	159,623	159,603	160,197	160,311
Livermore	88,894	90,212	90,946	91,436	91,861
Newark	44,722	45,260	46,812	48,164	48,966
Oakland	425,115	428,165	429,145	430,753	433,697
Piedmont	11,398	11,442	11,434	11,468	11,453
Pleasanton	76,014	76,685	78,698	79,392	79,464
San Leandro	88,485	88,594	88,276	88,296	87,930
Union City	73,148	73,379	73,105	73,661	73,637
Unincorporated County	148,658	149,305	149,042	148,902	148,452
County Total	1,632,599	1,646,711	1,655,306	1,664,783	1,670,834
State Total	39,131,307	39,398,702	39,586,646	39,695,376	39,782,870

Source: State Department of Finance estimates.

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Employment and Industry

The City is included in the Oakland-Hayward-Berkeley Metropolitan Division ("MD"). The unemployment rate in the Oakland-Hayward-Berkeley MD was 7.7% in December 2020, up from a revised 6.8% in November 2020, and above the year-ago estimate of 2.6%. This compares with an unadjusted unemployment rate of 8.8% for the State and 6.5% for the nation during the same period. The unemployment rate was 7.6% in the County and 7.9% in Contra Costa County.

The table below list employment by industry group for Alameda and Contra Costa Counties for the years 2015 to 2019.

OAKLAND-FREMONT-HAYWARD MD
(Alameda and Contra Costa Counties)
Annual Averages Civilian Labor Force, Employment and Unemployment,
Employment by Industry
(March 2019 Benchmark)

	2015	2016	2017	2018	2019
Civilian Labor Force ⁽¹⁾	1,363,500	1,384,900	1,397,800	1,403,300	1,406,100
Employment	1,297,300	1,324,400	1,345,500	1,359,400	1,364,200
Unemployment	66,200	60,400	52,300	43,900	41,900
Unemployment Rate	4.9%	4.4%	3.7%	3.1%	3.0%
<u>Wage and Salary Employment:</u> ⁽²⁾					
Agriculture	1,200	1,300	1,400	1,300	1,400
Mining and Logging	300	300	200	200	200
Construction	62,800	67,900	71,200	74,900	75,600
Manufacturing	88,100	91,000	95,500	100,400	99,600
Wholesale Trade	47,000	48,100	48,700	47,500	45,600
Retail Trade	111,800	113,400	114,400	114,400	112,100
Transportation, Warehousing,					
Utilities	37,500	39,200	40,500	41,900	42,900
Information	25,300	26,700	27,100	27,800	27,900
Finance and Insurance	37,400	38,800	38,700	37,200	37,100
Real Estate and Rental and Leasing	16,800	16,900	17,400	17,800	18,000
Professional and Business Services	177,200	180,900	184,300	189,300	191,900
Educational and Health Services	178,600	185,900	191,500	194,300	197,700
Leisure and Hospitality	106,600	111,700	114,900	117,700	120,100
Other Services	38,100	39,100	40,200	41,000	41,300
Federal Government	13,800	13,900	13,800	13,400	13,400
State Government	39,900	39,700	39,300	39,400	39,600
Local Government	115,600	119,800	121,500	121,800	122,100
Total, All Industries ⁽³⁾	1,098,000	1,134,600	1,160,600	1,180,400	1,186,700

(1) Labor force data is by place of residence; includes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(2) Industry employment is by place of work; excludes self-employed individuals, unpaid family workers, household domestic workers, and workers on strike.

(3) Totals may not add due to rounding.

Source: State of California Employment Development Department.

Largest Employers

The table below lists the major employers in the County, listed alphabetically, as of February 2021.

ALAMEDA COUNTY Major Employers

Employer Name	Location	Industry
Alameda County Law Enforcement	Oakland	Government Offices-County
Alameda County Sheriff's Ofc	Oakland	Government Offices-County
Alta Bates Summit Medical Ctr Alta	Berkeley	Hospitals
Alta Bates Summit Med Ctr-Lab	Oakland	Laboratories-Medical
BART	Oakland	Transportation
California State Univ East Bay	Hayward	Schools-Universities & Colleges Academic
East Bay Mud	Oakland	Water & Sewage Companies-Utility
Ebmud	Oakland	Utilities
Grifols Diagnostic Solutions	Emeryville	Pharmaceutical Research Laboratories
Highland Hospital	Oakland	Hospitals
Kaiser Permanente Oakland Med	Oakland	Hospitals
Lawrence Berkeley Lab	Berkeley	Laboratories-Research & Development
Lawrence Livermore Natl Lab	Livermore	University-College Dept/Facility/Office
Lifescan Inc	Fremont	Physicians & Surgeons Equip & Supls-Mfrs
Oakland Police Patrol Div	Oakland	Police Departments
San Francisco Bay Area Rapid	Oakland	Transit Lines
Tesla	Fremont	Automobile Dealers-Electric Cars
Transportation Dept-California	Oakland	Government Offices-State
UCSF Benioff Children's Hosp	Oakland	Hospitals
University of CA Berkeley	Berkeley	Schools-Universities & Colleges Academic
University of CA-BERKELEY	Berkeley	University-College Dept/Facility/Office
University-Ca-Berkeley Dept	Berkeley	University-College Dept/Facility/Office
Valley Care Health System	Livermore	Health Services
Washington Hospital Healthcare	Fremont	Hospitals
Western Digital Corp	Fremont	Computer Storage Devices (mfrs)

Source: State of California Employment Development Department, extracted from the America's Labor Market Information System (ALMIS) Employer Database, 2020 2nd Edition.

The following table lists the major employers within the City as of June 30, 2020, listed in order of greatest number of employees.

**CITY OF SAN LEANDRO
Major Employers**

<u>Employer</u>	<u>Number of Employees</u>
Kaiser Permanente	3,600
SLUSD**	1,582
Alameda Health System	1,557
Acco Engineered Systems	1,536
Walmart (2 locations)	810
City of San Leandro	532
Ghiradelli Chocolate Co.	516
Safeway (4 locations)	490
Costco Wholesale	486
Peterson Cat	485

* Includes full and part-time

**Includes part-time and substitutes

Source: City of San Leandro Comprehensive Annual

Commercial Activity

A summary of historic taxable sales within the City and the County during the past five years for which data is available is shown in the following table. Annual figures for 2020 are not yet available.

Total taxable sales during the first three quarters of calendar year 2020 in the City were reported to be \$1,765,674,068, 12.6% decrease over the total taxable sales of \$2,021,480,057 reported during the first three quarters of calendar year 2019.

**CITY OF SAN LEANDRO
Taxable Retail Sales
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)**

	<u>Retail Stores</u>		<u>Total All Outlets</u>	
	<u>Number of Permits</u>	<u>Taxable Transactions</u>	<u>Number of Permits</u>	<u>Taxable Transactions</u>
2015 ⁽¹⁾	1,359	1,433,968	2,464	2,438,671
2016	1,362	1,553,926	2,508	2,540,136
2017	1,374	1,611,886	2,513	2,600,373
2018	1,373	1,688,378	2,555	2,665,437
2019	1,381	1,729,933,952	2,625	2,768,854,213

⁽¹⁾ Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Department of Tax and Fee Administration.

A summary of historic taxable sales within the County during the past five years in which data is available is shown in the following table. Total taxable sales during the first two quarters of calendar year 2020 in the County were reported to be \$14,296,898,979 a 14.85% decrease over the total taxable sales of \$16,790,088,564 reported in the first two quarters of calendar year 2019.

ALAMEDA COUNTY
Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
(Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2015 ⁽¹⁾	17,260	\$18,702,806	45,197	\$29,770,157
2016	27,273	19,386,688	44,799	30,958,480
2017	27,431	20,561,252	45,232	32,476,174
2018	27,816	22,857,349	47,402	35,073,302
2019	28,375	21,882,886	49,197	35,040,749

⁽¹⁾ Permit figures for calendar year 2015 are not comparable to that of prior years due to outlet counts in these reports including the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers.

Source: State Department of Tax and Fee Administration.

Construction Activity

Provided below are the building permits and valuations for the City and the County, for calendar years 2015 through 2019. Annual figures for 2020 are not yet available.

CITY OF SAN LEANDRO Total Building Permit Valuations (Valuations in Thousands)					
	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	\$0.0	\$1,063.1	\$0.0	\$416.7	\$3,038.1
New Multi-family	0.0	0.0	0.0	272.2	1,144.8
Res. Alterations/Additions	<u>2,365.9</u>	<u>3,599.6</u>	<u>5,881.2</u>	<u>14,728.5</u>	<u>10,789.4</u>
Total Residential	2,365.9	4,662.7	5,881.2	15,417.4	14,972.3
New Commercial	14.0	10.0	40.0	601.0	16,992.5
New Industrial	0.0	0.0	0.0	22,537.0	.00
New Other	207.2	53.9	3,133.6	2,378.4	838.2
Com. Alterations/Additions	<u>2,066.6</u>	<u>1,128.0</u>	<u>6,306.4</u>	<u>11,805.4</u>	<u>34,252.9</u>
Total Nonresidential	2,287.8	1,191.9	9,480.0	37,321.8	52,083.6
New Dwelling Units					
Single Family	0	2	0	3	22
Multiple Family	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>4</u>
TOTAL	0	2	0	5	26

Source: Construction Industry Research Board, Building Permit Summary.

ALAMEDA COUNTY Total Building Permit Valuations (Valuations in Thousands)					
	2015	2016	2017	2018	2019
Permit Valuation					
New Single-family	\$576,948.5	\$791,891.2	\$763,677.9	\$689,530.0	\$675,129.8
New Multi-family	456,361.3	497,341.3	1,307,094.0	1,431,985.0	782,536.4
Res. Alterations/Additions	<u>344,975.9</u>	<u>466,239.3</u>	<u>501,276.2</u>	<u>469,158.5</u>	<u>512,409.9</u>
Total Residential	1,378,285.7	1,755,471.8	2,572,048.1	2,590,673.5	1,970,076.1
New Commercial	187,303.4	444,307.9	585,896.6	551,547.4	718,569.0
New Industrial	92,470.2	53,242.1	26,703.6	302,121.2	5,638.5
New Other	193,029.9	87,213.3	148,820.3	89,686.1	78,049.8
Com. Alterations/Additions	<u>673,633.6</u>	<u>775,031.8</u>	<u>829,413.8</u>	<u>819,040.7</u>	<u>992,668.1</u>
Total Nonresidential	1,146,437.1	1,359,795.1	1,590,834.3	1,762,395.4	1,794,925.4
New Dwelling Units					
Single Family	1,671	2,348	2,175	1,867	1,871
Multiple Family	<u>3,370</u>	<u>3,171</u>	<u>6,889</u>	<u>6,540</u>	<u>4,145</u>
TOTAL	5,041	5,519	9,064	8,407	6,016

Source: Construction Industry Research Board, Building Permit Summary.

Effective Buying Income

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

The following table summarizes the total effective buying income for the City, the County, the State and the United States for the period 2017 through 2021.

**CITY OF SAN LEANDRO; ALAMEDA COUNTY;
STATE OF CALIFORNIA; UNITED STATES
Effective Buying Income
As of January 1, 2017 through 2021**

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2017	City of San Leandro	\$2,480,266	\$60,205
	Alameda County	56,091,066	67,631
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043
2018	City of San Leandro	\$2,603,799	\$61,680
	Alameda County	61,987,949	73,633
	California	1,113,648,181	59,646
	United States	8,640,770,229	50,735
2019	City of San Leandro	\$2,809,964	\$66,399
	Alameda County	67,609,653	79,446
	California	1,183,264,399	62,637
	United States	9,017,967,563	52,841
2020	City of San Leandro	\$2,958,470	\$68,881
	Alameda County	72,243,436	84,435
	California	1,243,564,816	65,870
	United States	9,487,165,436	55,303
2021	City of San Leandro	\$3,168,617	\$72,207
	Alameda County	77,794,202	88,389
	California	1,290,894,604	67,956
	United States	9,809,944,764	56,790

Source: The Nielsen Company (US), Inc for years 2017 and 2018; Claritas, LLC for 2019 through 2021.

Education

The City is served by two public school districts, being the San Leandro Unified School District and the San Lorenzo Unified School District. The City also has a number of parochial schools located within its boundaries and in adjacent communities. Higher education opportunities are available nearby at some of the nation's best educational institutions, including the University of California at Berkeley, Stanford University in Palo Alto, California State University East Bay in Hayward, and Chabot Community College in Hayward.

Recreation and Leisure

The Shoreline Recreation Area offers opportunities for outdoor enthusiasts. This destination spot includes 27 holes of nationally acclaimed Bayside golf with a full-service clubhouse and an all-weather practice facility, a 131-room hotel, two restaurants overlooking the Bay, a 455-slip yacht harbor, a sheltered sailing lagoon, and a marina. There is also a 20-acre park with a sand volleyball court, picnic tables with barbecues, two playgrounds, an exercise par course, and the San Francisco Bay trail for hiking and bicycling.

The Main Library is located in the downtown area and includes a senior meeting facility, lecture hall, and meeting rooms. The Main Library is the hub for many community recreational activities, including leisure classes for all ages, special events, and programs such as the Trivia Bee and Project Literacy. The community is also served by three neighborhood branch libraries. The community enjoys a variety of celebrations such as a Holiday Tree Lighting event, the Miracle on East 14th Street festival, and a variety of multicultural celebrations. The Marina Community Center, located in the western part of the City, is available to the community for celebrations, meetings, and leisure classes.

Transportation

Interstate Highway 580 (east-west), Interstate Highway 680 (north-south) and Highway 61 provide access to the nearby cities of Oakland, San Francisco, Sacramento, San Jose, and the Central Valley. San Leandro is located 7 miles from the Oakland International Airport, 35 miles from San Jose Municipal Airport and 25 miles from San Francisco International Airport. Deep-water shipping facilities are available at the Port of Oakland and the Port of San Francisco, 10 miles and 20 miles from the City, respectively.

A.C. Transit provides regional bus service and connects with the Greyhound Terminal and two San Leandro Bay Area Rapid Transit (BART) stations. Two Bay Area Rapid Transit (BART) stations in the city connect San Leandro with San Francisco and cities in four county areas. San Leandro LINKS is a shuttle bus program for transporting employees in west San Leandro to and from the Downtown BART station. Three nearby international airports link San Leandro residents and businesses with every destination in the world. Oakland International Airport is just minutes away. The Port of Oakland, one of the West Coast's largest containerized cargo shipping facilities, is just 10 miles north of San Leandro. The Port's deep-water container terminal is the fourth largest and busiest in the nation, one of the top 40 container ports globally, and is served by over 35 shipping lines. San Leandro's prime location in the Bay Area benefits both the residents and the business community.

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APPENDIX D

PROPOSED FORM OF OPINION OF BOND COUNSEL SERIES D BONDS

[LETTERHEAD OF JONES HALL]

May 6, 2021

Board of Education
San Leandro Unified School District
835 E. 14th St., Room 200
San Leandro, California 94577

OPINION: \$3,250,000 San Leandro Unified School District
(Alameda County, California)
General Obligation Bonds, Election of 2016, Series D

Members of the Board of Education:

We have acted as bond counsel to the San Leandro Unified School District (the "District") in connection with the issuance by the District of \$3,250,000 principal amount of San Leandro Unified School District (Alameda County, California) General Obligation Bonds, Election of 2016, Series D, dated the date hereof (the "Bonds"), under the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Education of the District (the "Board") on March 9, 2021 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is duly established and validly existing as a unified school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Alameda is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.

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

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

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

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

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

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

PROPOSED FORM OF OPINION OF BOND COUNSEL REFUNDING BONDS

[LETTERHEAD OF JONES HALL]

May 6, 2021

Board of Education
San Leandro Unified School District
835 E. 14th St., Room 200
San Leandro, California 94577

OPINION: \$24,435,000 San Leandro Unified School District
(Alameda County, California)
2021 Refunding General Obligation Bonds

Members of the Board of Education:

We have acted as bond counsel to the San Leandro Unified School District (the "District") in connection with the issuance by the District of \$24,435,000 principal amount of San Leandro Unified School District (Alameda County, California) 2021 Refunding General Obligation Bonds, dated the date hereof (the "Bonds"), under the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53550 of said Code (the "Act"), and a resolution adopted by the Board of Education of the District (the "Board") on March 9, 2021 (the "Bond Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Board contained in the Bond Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is duly established and validly existing as a unified school district with the power to issue the Bonds and to perform its obligations under the Bond Resolution.
2. The Bond Resolution has been duly adopted by the Board and constitutes a valid and binding obligation of the District enforceable against the District in accordance with its terms.
3. The Bonds have been duly issued and sold by the District and are valid and binding general obligations of the District, and the County of Alameda is obligated to levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property within the District subject to taxation by the District, without limitation as to rate or amount.
4. The interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax.

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

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

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

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

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

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

\$3,250,000
SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2016, Series D

\$24,435,000
SAN LEANDRO UNIFIED SCHOOL DISTRICT
(Alameda County, California)
2021 Refunding General Obligation Bonds

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this “**Disclosure Certificate**”) is executed and delivered by the San Leandro Unified School District (the “**District**”) in connection with the issuance and delivery of the captioned bonds (the “**Bonds**”). The captioned Bonds are being issued pursuant to resolutions adopted by the Board of Education of the District on March 9, 2021 (the “**Resolutions**”). U.S. Bank National Association is initially acting as paying agent for the Bonds (the “**Paying Agent**”). The District hereby covenants and agrees as follows:

Section 1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” means any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4.

“*Annual Report Date*” means the date not later than nine months after the end of each fiscal year of the District (currently March 31).

“*Dissemination Agent*” means, initially, Dale Scott & Company, Inc., or any successor Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

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

“*MSRB*” means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

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

“Paying Agent” means U.S. Bank National Association, San Francisco, California or any successor thereto.

“Participating Underwriter” means the original Underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2022 with the report for the 2020-21 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

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

- (i) determine each year prior to the Annual Report Date the then-applicable rules and electronic format prescribed by the MSRB for the filing of annual continuing disclosure reports; and
- (ii) if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, and stating the date it was provided.

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

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not

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

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

- (i) assessed valuation of taxable properties in the District for the most recently completed fiscal year, or if available, the current fiscal year;
- (ii) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year, or if available, the current fiscal year;
- (iii) if the District's general obligation bond levies are not included in the County of Alameda's Teeter Plan, property tax collection delinquencies for the District for the most recently completed Fiscal Year only if available from the County at the time of filing the Annual Report; and
- (iv) the District's most recently adopted budget or interim report available at the time of filing the Annual Report.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

(d) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's Internet web site or filed with the Securities and Exchange Commission.

Section 5. Reporting of Significant Events.

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

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.

- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the District.
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.
- (14) Appointment of a successor or additional paying agent or the change of name of a paying agent, if material.
- (15) Incurrence of a financial obligation (defined in subparagraph (e) below) of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material.
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties.

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

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

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy

Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

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

Section 7. Termination of Reporting Obligation. The District’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

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

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or type of business conducted;
- (b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver either (i) is approved by holders of the Bonds in the manner provided in the Resolutions for amendments to the Resolutions with the consent of holders, or (ii) does not, in the opinion of

nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of the Bonds.

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

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Bondholders or any other party. The obligations of the District under

this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

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

Section 13. 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.

Date: May 6, 2021

SAN LEANDRO UNIFIED SCHOOL DISTRICT

By: _____
Name: _____
Title: _____

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APPENDIX F

DTC AND THE BOOK-ENTRY ONLY SYSTEM

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

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

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

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

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

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

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

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

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

6. Redemption notices will be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting

rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

10. The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

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

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APPENDIX G

ALAMEDA COUNTY INVESTMENT POOL INVESTMENT POLICY AND INVESTMENT REPORT

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County of Alameda

Investment Policy

Year 2021

Henry C. Levy
Treasurer-Tax Collector

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Introduction and Overview of the County of Alameda

The County of Alameda is a political subdivision of the State of California in the San Francisco Bay Area formed in 1853. The County covers an area of approximately 821 square miles in the Bay Area of the State, and it is the 20th largest County (by population) in the United States. The City of Oakland, the County seat, is one of the most populous cities in the State.

Governing Authority

The County of Alameda is governed by a five-member Board of Supervisors, each of whom is elected on a non-partisan basis from a separate district where he/she lives. Within the broad limits established by the State Constitution, State General Law, and the Alameda County Charter, the Board exercises both the legislative and the executive functions of government. The Board of Supervisors is also the governing body for a number of "special districts" within Alameda County.

Delegation of Authority and Investment Responsibility

The Alameda County Board of Supervisors, by Ordinance # O-2021-6 adopted on January 05, 2021 has renewed the annual delegation of its investment authority and responsibility to invest and/or to reinvest the funds in the Alameda County treasury to the Alameda County Treasurer. Accordingly, to provide a framework for the oversight of the Treasurer's investment responsibilities and activities, the Government Code of the State of California through Section 27133 requires the Treasurer to prepare an annual investment policy that provides the specific guidelines, pursuant to which, the Treasurer should carry-out investment-related functions.

Policy Statement

The purpose of this Investment Policy is to establish investment guidelines for the Treasurer, to whom the Board of Supervisors annually delegates the responsibility for the stewardship of the County's Investment Program. Each transaction and the entire portfolio must comply with applicable California Government Code, County Ordinances, and this Policy. All investment program activities will be judged by the standards of the Policy and ranking of Primary Investment Objectives. Those activities that violate its spirit and intent will be deemed to be contrary to the Policy. This Policy shall remain in effect until the Board of Supervisors approves a subsequent revision.

Scope

This Investment Policy applies to all funds over which the Treasurer has been delegated the fiduciary responsibility and direct control for its management.



Primary Investment Objectives

The Treasurer shall invest monies in the treasury in accordance with the following basic principles of investing, in the order of priority:

1. **Safety:** Safety of principal is the foremost objective of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. To attain this objective, diversification is required in order that potential losses on individual securities do not exceed the income generated from the remainder of the portfolio.
2. **Liquidity:** The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This objective shall be achieved by matching investment maturities with forecasted cash outflows and maintaining an additional liquidity buffer for unexpected expenditures.
3. **Investment Income:** The investment portfolio shall be designed with the objective of attaining a market rate of investment income throughout budgetary and economic cycles, considering the investment risk constraints of safety, while bearing in mind the cash-flow characteristics and operating cash needs of County departments, the County's various subdivisions, school districts and special districts.

Primary Investment Philosophy

Securities shall generally be held until maturity, with the following exceptions:

1. A security with declining credit may be sold early to minimize loss of principal.
2. Liquidity needs of the portfolio require that the security be sold.
3. A security swap would improve the quality, yield, or target duration in the portfolio.

Standard of Prudence

The standard of prudence to be used by the Treasurer shall be the Prudent Investor Standard as set forth by California Government Code, Section 53600.3 and 27000.3. The Section reads as follows: The Prudent Investor Standard states that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, a trustee shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the Treasurer, that a prudent person acting in a like capacity and familiarity 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 Treasurer.

This standard of prudence shall be applied in the context of managing those investments that fall under the Treasurer's direct control. Investment officers acting in accordance with written



procedures and this Investment Policy 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 developments.

Allowable Investments

Section 53600 et seq. of the Government Code of the State of California prescribes the statutory requirements relating to investments by local treasurers, including types of allowable investments, proportional limits by investment type relative to the size of the investment pool, maximum maturity of investments, and credit rating criteria. The term to maturity of investments in the pool shall not exceed a final maturity of 5 years from date of purchase, except when specifically authorized by a resolution of the Alameda County Board of Supervisors. Final maturity limits, investment type limits, and issuer ratings and limits are calculated/considered at time of purchase.

The investments shall conform to the legal provisions set forth in the Government Code, except that, the County further prescribes the following requirements:

(Please refer to **Attachment I - SUMMARY OF ALLOWABLE INVESTMENTS**)

U.S. Treasury Obligations or backed by the full faith and credit of the United States

Maximum Term:	5 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

U.S. Federal Agencies

Maximum Term:	5 years
Maximum Type Allocation:	Not applicable
Maximum Issuer Concentration:	Not applicable
Minimum Issuer Rating:	Not applicable

Money Market Mutual Funds

Maximum Term:	1 day
Maximum Type Allocation:	20%
Maximum Issuer Concentration:	10%
Minimum Fund Rating:	AAA equivalent or better by two or more Nationally Recognized Statistical Ratings Organizations (NRSRO)
Other:	Maintain a consistent net asset value (NAV) of \$1.00

Commercial Paper

Maximum Term:	270 days
Maximum Type Allocation:	25%
Maximum Issuer Concentration:	10% in aggregate with corporate notes/bonds and CDs



Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO
Other:	Issuer must meet the following criteria: Is organized and operating in the United States as a general corporation, has total assets in excess of \$500 million, has debt other than commercial paper, if any, that is rated in a rating category of "A" or its equivalent or higher by an NRSRO, or; is organized within the United States as a special purpose corporation, trust, or limited liability company, and has program wide credit enhancements including, but not limited to, overcollateralization, letters of credit, or a surety bond.

Negotiable Certificates of Deposit

Maximum Term:	1 year
Maximum Type Allocation	30%
Maximum Issuer Concentration:	10% in aggregate with corporate notes/bonds and CP
Minimum Issuer Rating:	A-1, P-1, F-1 equivalent or better by a NRSRO
Other:	Issued by a nationally or state-chartered bank, a savings association or a federal association, a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank

Medium-Term Corporate Notes

Maximum Term:	5 years
Maximum Type Allocation	30%
Maximum Issuer Concentration:	10% in aggregate with CDs and CP
Minimum Issuer Rating:	A category, equivalent or better
Other:	Issued by corporations organized and operating within the United States, depository institutions licensed by the United States, or any state and operating within the United States

Asset-Backed Securities

Maximum Term:	5 years
Maximum Type Allocation	20%
Maximum Issuer Concentration:	5%
Minimum Issuer Rating:	AAA equivalent by a NRSRO
Other:	Equipment lease-backed certificates, consumer receivable pass-through certificates or consumer receivable-backed bonds are eligible for purchase.

State and Local Government Obligations

Maximum Term:	5 years
Maximum Type Allocation	20%
Maximum Issuer Concentration:	5%



Minimum Issuer Rating: A equivalent or better by one NRSRO
 Other: Issued by State and local governments in the United States.

Repurchase Agreements

Maximum Term: 180 days
 Maximum Type Allocation: 20%
 Maximum Issuer Concentration: Not applicable
 Minimum Issuer Rating: Not applicable
 Collateral: 102%, by Treasury or Agency securities with a final maturity of 5 years or less, marked-to-market daily.
 Other: Counter-party requirements: A financial institution that will deliver the securities versus payment, either to the Treasurer's custodian bank or to a third-party custodian.

Reverse Repurchase Agreements

Maximum Term: 180 days
 Maximum Type Allocation: 20%
 Maximum Issuer Concentration: Not applicable
 Minimum Issuer Rating: Not applicable
 Other: Borrowing for leveraging purposes shall conform in all aspects to the governing provisions of the Government Code Section 53601, et. seq. Reverse repurchase agreements which have been entered for purposes of either raising temporary cash needs or for the purpose of leveraging to attain favorable investment spreads, must be approved by the Board of Supervisors, pursuant to Government Code guidelines.

Banker's Acceptances

Maximum Term: 180 days
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: 10%
 Minimum Issuer Rating: A-1, P-1, F-1 equivalent or better by a NRSRO
 Other: Drawn on and accepted by a commercial bank

Supranationals

Maximum Term: 5 years
 Maximum Type Allocation: 30%
 Maximum Issuer Concentration: 15%
 Minimum Issuer Rating: AA equivalent or better by a NRSRO
 Other: Purchase of U.S. dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank of Reconstruction and



Development (IBRD), International Finance Corporation (IFC), or Inter-American Development Bank (IADB) that are eligible for purchase or sale in the United States.

Local Agency Investment Fund (LAIF)

Maximum Term:	1 day
Maximum Type Allocation	Current State limit
Minimum Issuer Rating:	Not applicable

CalTRUST (Joint Powers Authority Investment Trust for California Public Agencies)

Maximum Term:	1 day
Maximum Type Allocation	Twice the limit of LAIF
Minimum Issuer Rating:	Not applicable

CAMP (Joint Powers Authority created to provide a statewide local government investment pool)

Maximum Term:	1 day
Maximum Type Allocation	Twice the limit of LAIF
Minimum Issuer Rating:	Not applicable

Collateralized/FDIC Insured Time Deposits

Maximum Term:	5 years
Maximum Type Allocation	30%
Maximum Issuer Concentration:	FDIC limit
Minimum Issuer Rating:	Not applicable
Other:	The Treasurer may place interest-bearing time deposits with banks and or credit unions located within the State of California, collateralized in accordance with requirements of the Government Code. Further, pursuant to the requirement of Government Code Section 53635.2, to be eligible as a depository of local agency monies, the depository institution must have a CRA (Community Reinvestment Act) rating of "Satisfactory" or better in its most recent evaluation by FFIEC. The bank may use a private sector entity to help place deposits with banks or credit union located in the United States.

Collateralized Money Market Bank Accounts

Maximum Term:	1 day
Maximum Type Allocation	30%
Maximum Issuer Concentration:	20%
Minimum Issuer Rating:	Not applicable
Other:	The Treasurer may deposit funds in interest-bearing collateralized money market bank accounts in banks or credit



unions that qualify under the eligibility requirements required for collateralized/FDIC insured time deposits. Deposits in money market bank accounts are made to provide better short-term yield and over-night liquidity.

Other Investments

Any other legally permitted investments by specific authorizing resolutions of the Alameda County Board of Supervisors shall be eligible investments.

Credit Rating Information

Credit rating requirements for eligible securities referred-to in this policy shall mean the numeric, alpha, and/or alpha-numeric designations assigned by the following National Recognized Statistical Rating Organizations (NRSRO) rating agencies:

- Moody's Investor Service
- Standard & Poor's Rating Services
- Fitch IBCA, Inc.
- Thompson Bank Watch

A list of possible ratings for Standard and Poor's, Moody's and Fitch are in **Attachment II - RATINGS INTERPRETATION**

Socially Responsible Investment Objectives

In addition to and subordinate to the objectives set forth in the County's Primary Investment Objectives, the Treasurer seeks to implement a policy of responsible investment, which is a strategy and practice to incorporate environmental, social and governance (ESG) factors in investment decisions. Investments will be made with responsible investment goals to the extent that such investments achieve substantially equivalent safety, liquidity and yield compared to other investment opportunities available at the same time.

The Treasurer will actively incorporate ESG factors in its investment analysis and decision-making process and will work to enhance its effectiveness in implementing the principles of responsible investing.

Within the guidance for responsible investing, the Treasurer will consider additional socially responsible and impact investing criteria. Such criteria shall be consistent with values promulgated by the County of Alameda.

Securities Lending

Pursuant to Section 53601 (j) (3) of the Government Code, the Treasurer may engage in securities lending through a third-party custodian and lending administrator. Revenues derived from



securities lending will be considered incremental investment income to be shared among participating funds in the investment pool.

Prohibited Investments and Transactions

The following are prohibited investments and transactions:

- Range notes
- Inverse floating rate securities
- Step-down securities
- Short selling
- Any security that could result in zero interest accrual if held to maturity

Diversification Parameters

The investment program shall follow the following diversification parameters:

- Issuer: No more 10% in aggregate corporate exposure (CD, CP, Corporate Notes)
- Floating Rate, Structured Notes, and Other Derivative Securities: No more than 15%

Maturity Parameters

The investment program shall follow the following maturity parameters:

- Weighted Average Maturity no greater than 3 years (using stated final maturity)
- At least 10% of the County Investment Pool maturing within 90 days

Investment Procedures

The Treasurer has written procedures for the operation of the investment program. The procedures include such items as delegation of duties/authority, reconciliation, trade settlement, investment strategy/selection, compliance monitoring, reporting, and internal controls.

Performance Information

The investment portfolio shall be designed with the objective of obtaining a market rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs of the County. The County's investment strategy is conservative and is reflected in its general "hold to maturity" philosophy. Given this strategy, the Treasurer shall develop an appropriate custom benchmark for investment considerations which shall reflect the prominent and persistent characteristics of the portfolio over time. The benchmark will be adjusted periodically when material changes take place regarding asset allocation and/or duration.



Directed Investments and Withdrawal Policy

School Districts and Community College Districts

Pursuant to Education Code section 15146(g), at no time shall bond proceeds be withdrawn by the school districts or community college districts for investment outside the county treasury.

Special Districts

Self-directed investments made by any special district, including deposits by same districts into the State's Local Agency Investment Fund (LAIF) are considered withdrawal of funds from the County treasury. Each special district withdrawing funds for the purpose of investing outside of the Treasurer's investment pool may only do so once each month, upon a 3-day written notice to the Treasurer in an amount not exceeding \$20,000,000. Such withdrawal is hereafter referred to as a "Permissible Withdrawal". Permissible withdrawals are further subject to the following requirements:

- Each special district wishing to invest bond proceeds and/or bond funds outside of the Treasurer's investment pool, must notify the Treasurer no later than on the day of the bond closing, so that the Treasurer could place such bond proceeds in short-term investment/s whose maturity would coincide with the settlement/purchase date of the directed investment.
- Securities representing district- directed investments shall be held solely for the purpose of safekeeping by the County Treasurer at the County's custodial bank.
- Directed investments shall be the direct responsibility of each respective district with respect to their accounting and accountability.

Other Provisions

Further, the Treasurer sets forth the following:

1. The Treasurer shall maintain sufficient funds in the County Treasury, to meet the estimated normal daily operating cash demands of the County and investment pool participants by investing funds to maturities that anticipate major cash needs. Investments shall, whenever possible, be made in securities that have active secondary or resale markets to provide maximum portfolio liquidity.
2. The Treasurer's investment pool practices a "buy and hold" strategy, thus, funds are invested in securities that mature on dates coincident with the anticipated operating cash requirements of all participating entities. Consequently, withdrawal of funds for purposes other than to pay operating expenditures is unanticipated and could risk the pool's liquidity and stability. Nevertheless, subject to the **Directed Investments and Withdrawal Policy**, the Treasurer may liquidate securities to meet unanticipated cash withdrawals or disbursements made by the County or any pool participant, whether the purpose of such withdrawal or disbursement is to make payment for a legitimate obligation or to pull out funds to reinvest outside the Treasurer's pool. Except for permissible withdrawals as



described in the previous section, in the event the Treasurer is obligated to liquidate investments in an adverse market due to a withdrawal for the purpose of investing funds outside of the Treasurer's investment pool, the resulting loss, if any, shall be borne by the withdrawing district alone. Losses due to the sale of securities to meet unanticipated cash needs other than for investing funds outside the Treasurer's pool shall be considered as a normal cost of providing unanticipated liquidity needs.

3. The Treasurer shall hold all securities including collateral on repurchase agreements, in safekeeping with the County's custodial bank or with a national bank located in a Federal Reserve City which has provided the County with a safekeeping agreement.
4. Pursuant to Government Code Section 53684(a) and unless otherwise provided by law, if the treasurer of any local agency, or other official responsible for the funds of the local agency, determines that the local agency has excess funds which are not required for immediate use, the treasurer or other official may, upon the adoption of a resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to this section and with the consent of the County Treasurer, deposit the excess funds in the county treasury for the purpose of investment by the county treasurer pursuant to Section 53601 or 53635, or Section 20822 of the Revenue and Taxation Code after signing an Investment Management Agreement.

Investment Reporting and Review

The Treasurer shall submit a report on the monthly transactions and the status of the investment pool to the Alameda County Board of Supervisors, the Treasurer's Oversight Committee and the participating districts. The investment report must include the book and market value of securities held, income received, book yield, duration, liquidity profile, and investment policy compliance.

Ethics and Conflicts of Interest

Officers and employees involved in the investment process shall refrain from personal activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. Disclosure shall be made to the governing body. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking any personal investment transactions with the same individual with whom business is conducted on behalf of the Treasurer's investment pool.

Further, any securities broker or dealer who has made a political contribution to the Treasurer, any member of the Board of Supervisors, or any candidate for those offices, in an amount that exceeds the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board



within any consecutive 48-month period following January 1, 1996, shall be disqualified from transacting securities trades (purchase, sale and/or exchange) with the Treasurer.

Internal Controls

The Treasurer shall employ internal controls designed to prevent losses of public funds arising from fraud, employee error, misrepresentations by third parties, or imprudent actions by employees and officers of County.

Internal and External Audit

The custodian/safekeeping account, investment transactions, and records shall be audited at least quarterly by internal auditors independent of the Treasurer and/or by outside independent auditors and the audit results reported to the members of the Treasury Oversight Committee, Board of Supervisors, or the Auditor-Controller. Pursuant to the Treasury Oversight Committee mandate, the investment pool shall be audited annually by an independent auditor and the results reported to the members of the Treasury Oversight Committee, the Board of Supervisors, the Grand Jury, the Auditor-Controller, and all participating entities in the investment pool as governed by state law.

Safekeeping and Custody

The following process shall be maintained for safekeeping and custody of securities:

1. All trades of marketable securities will be executed (cleared and settled) on a delivery vs. payment (DVP) basis to ensure that securities are deposited in the Alameda County's safekeeping institution prior to the release of funds.
2. All marketable securities except for money market funds registered in the County's name shall be deposited for safekeeping with banks contracted to provide the Treasurer with custodial security clearance services. Securities are **NOT** to be held in investment firm/broker-dealer account.

Authorized Financial Institutions, Depositories, and Broker/Dealers

The Treasurer shall maintain a list of financial institutions and depositories authorized to provide investment services. In addition, a list will be maintained of broker/dealers that are approved to conduct investment security transactions with the Treasurer. These may include primary dealers, regional broker/dealers, minority-owned broker/dealers and direct issuers of securities.

All financial institutions and depositories, including broker-dealers, must provide certification of having read and understood and agreeing to comply with the Treasurer's investment policy on an annual basis.



All broker/dealers who desire to become qualified for investment transactions must supply the following (as appropriate):

1. Audited financial statements
2. Proof of FINRA registration
3. Proof of state registration
4. Completed broker/dealer questionnaire
5. Certification of having read and understood and agreeing to comply with the Treasurer's investment policy

Allocation of Investment Income and Costs

The Treasurer shall account for investment income to be apportioned based on average daily cash balances of participating funds during the quarterly allocation period. Government Code Section 27013 permits the Treasurer to charge the cost of the treasury operations and administration to the investment income prior to distribution. The cost of operating the County treasury which includes tax and revenue receipt processing, county-wide central cashiering and banking, investment services, management, operations, safekeeping and accounting, daily redemption of county warrants/checks and other direct and indirect treasury operations costs, shall be netted on a quarterly basis against the un-apportioned income prior to its allocation to the pool participants. The treasury operations costs are determined each fiscal year as part of the budgeting process, during which the departmental budget is allocated among the various functioning units of the Treasurer-Tax Collector's department.

Treasury Oversight Committee

The Treasury Oversight Committee shall meet at least once annually, preferably in May. The responsibilities of the Treasury Oversight Committee are:

1. To ensure that an annual audit of the investment portfolio is performed;
2. To review and monitor the Treasurer's Annual Investment Policy before it is submitted to the Board of Supervisors for authorization; and
3. To ensure that the Treasurer's investments conform to the requirements of the annual investment policy.

Limit on Receipt of Honoraria, Gifts and Gratuities

No individual responsible for the management of the County's investment portfolio or any member of the Treasury Oversight Committee shall accept honoraria, gifts or gratuities from any advisor, broker, dealer, banker or other person with whom the county treasury conducts business, consistent with the state law.



Business Continuity

The Treasurer has developed a Business Continuity Plan describing the Treasurer's anticipated response to a range of events that could significantly disrupt its business. Because the timing and impact of disasters, emergencies and other events is unpredictable, flexibility is necessary when responding to actual disruptions as they occur. With that in mind, the goal of the Plan is to resume operations as quickly and smoothly as possible.

The Plan for responding to a significant business disruption addresses safeguarding of employees' lives and County property, making a financial and operational assessment, quickly recovering and resuming operations, protecting all the Treasurer's books and records, and allowing the continued ability to manage the investment program and transact business.

Investment Policy Adoption

The Treasurer shall submit the County's Investment Policy to the Board of Supervisors for annual adoption by resolution. The policy shall be reviewed annually by the Treasury Oversight Committee and any modifications made thereto must be authorized by the Board of Supervisors.

Conclusion

Any provision in this, the investment policy of Alameda County, which may later be disallowed by the governing sections of the Government Code of the State of California, shall also be so disallowed. Conversely, any new permissive provisions under the governing sections of the Government Code shall be allowed without necessarily amending the investment policy during the year that the law takes effect. However, such new provision shall be adopted by policy in the next annual investment policy. This investment policy shall be in effect until revised or replaced by the investment policy of the following year.



SUMMARY OF ALLOWABLE INVESTMENTS

AUTHORIZED INVESTMENTS	MAXIMUM % HOLDINGS	PURCHASE RESTRICTIONS	MAXIMUM MATURITY	CREDIT QUALITY
US Treasury Obligations	100%	N/A	5 years	N/A
Federal Agencies	100%	Max issuer 100%	5 years	N/A
Money-Market Mutual Funds	20%	Max 10% issuer, must maintain constant NAV	Daily Liquidity	AAA rated from at least 2 NRSROs
Commercial Paper	25%	Max issuer 10%, combined with corporates and CP	270 days	A-1 equivalent or better by 2 NRSROs
Negotiable CDs	30%	Max issuer 10%, combined with corporates and CP	1 year	A-1 equivalent or better by 2 NRSROs
Medium Term Corporate Notes	30%	Max issuer 10%, combined with corporates and CP	5 years	A equivalent or better by 2 NRSROs
Asset-Backed Securities	20%	Max issuer 5%, equipment leased-backed certificate, consumer receivable pass-throughs, consumer receivables-backed bonds	5 years	AA equivalent or better by 2 NRSROs
State and Local Government Bonds	20%	Max issuer 5%	5 years	A equivalent or better by 1 NRSROs
Repurchase Agreements (REPO)	20%	Collateral to be US Government or Federal Agency with max maturity of 5 years. 102% of funds borrowed and marked-to-market daily	180 days	N/A
Reverse Repurchase Agreements (Reverse REPO)	20%	Prior approval of the Board of Supervisors	180 days	N/A
Banker's Acceptances	30%	Drawn on and accepted by a commercial bank	180 days	A-1 equivalent or better by 2 NRSROs
Supranational	30%	Max 15% issuer, Senior unsecured unsubordinated or guaranteed by IBRD, IFC, or IADB	5 years	AA equivalent or better by 2 NRSROs
LAIF	State Limit	Per LAIF	Daily Liquidity	N/A
CalTRUST	2X LAIF	Per CalTRUST	Daily Liquidity	N/A
CAMP	2X LAIF	Per CAMP	Daily Liquidity	N/A
Collateralized/FDIC Insured Time Deposits	30%	Refer to page 8	5 years	N/A
Collateralized Money Market Bank Accounts	30%	Refer to page 8	Daily Liquidity	N/A



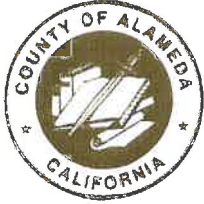
Attachment II

RATINGS INTERPRETATION

LONG TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
Aaa	AAA	AAA	STRONGEST QUALITY
Aa1	AA+	AA+	STRONG QUALITY
Aa2	AA	AA	
Aa3	AA-	AA-	
A1	A+	A+	GOOD QUALITY
A2	A	A	
A3	A-	A-	
Baa1	BBB+	BBB+	MEDIUM QUALITY
Baa2	BBB	BBB	
Baa3	BBB-	BBB-	
Ba1	BB+	BB+	SPECULATIVE
Ba2	BB	BB	
Ba3	BB-	BB-	
B1	B+	B+	LOW
B2	B	B	
B3	B-	B-	
Caa	CCC+	CCC	POOR
-	CCC	-	HIGHLY SPECULATIVE TO DEFAULT
-	CCC-	-	
Ca	CC	CCC	
C	-	-	
-	-	DDD	
-	-	DD	
-	D	D	

SHORT TERM DEBT RATINGS			
MOODY'S	S&P	FITCH	RATINGS INTERPRETATION FOR CREDIT
P-1	A-1+	F1+	STRONGEST QUALITY
	A-1	F1	STRONG QUALITY
P-2	A-2	F2	GOOD QUALITY
P-3	A-3	F3	MEDIUM QUALITY





TREASURER - TAX COLLECTOR

HENRY C. LEVY
TREASURER - TAX COLLECTOR

February 25, 2021

Board of Supervisors
County of Alameda
1221 Oak Street, 5th Floor
Oakland, CA 94612

Dear Board Members:

RE: Investment Report – January 2021

In accordance with the Treasurer's investment policy, submitted herewith is a report of the cash pool investments for the month of January 2021. Enclosed with this report is a detailed composition of all outstanding investments by securities category as of January 31, 2021. This report reflects the market value and cost of purchase. All investments in the Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53601 et. seq., authorities delegated by the County Board of Supervisors and the Treasurer's investment policy.

As of January 31, 2021

Treasurer's Investment Pool – Book Value	\$ 7,423,587,114
Treasurer's Investment Pool – Market Value	7,515,399,588
Total Cash in Bank	103,092,973
Total interest received during the month	4,685,516
Average Maturity of the portfolio	531 days
Annualized cash basis rate of return for the month	0.74%

Liquidity Summary of the Portfolio as Of January 31, 2021

Maturity	Amount	Percentage Held
1 to 90 days	\$ 1,697,983,536	22.87%
91 to 365 days	2,521,336,036	33.96%
2 years	750,684,517	10.11%
3 years	974,399,136	13.13%
4 years	878,235,152	11.83%
5 years	600,948,737	8.10%
Total	7,423,587,114	100.00%

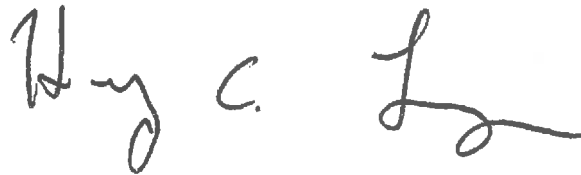
Conclusion

Based on investment activity during the month of January 2021, the Treasurer expects to meet all operating cash needs for the pool participants within the next six months from the portfolio's most liquid assets and current revenues. For your review, a copy of the Investment Status Report and transaction details for the month of January 2021 is attached and on file with the Office of the Clerk of the Board of Supervisors.

Vision 2026 Goal

The Investment Report meets the 10x goal of **Accessible Infrastructure** in support of our shared vision of **Prosperous and Vibrant Economy**.

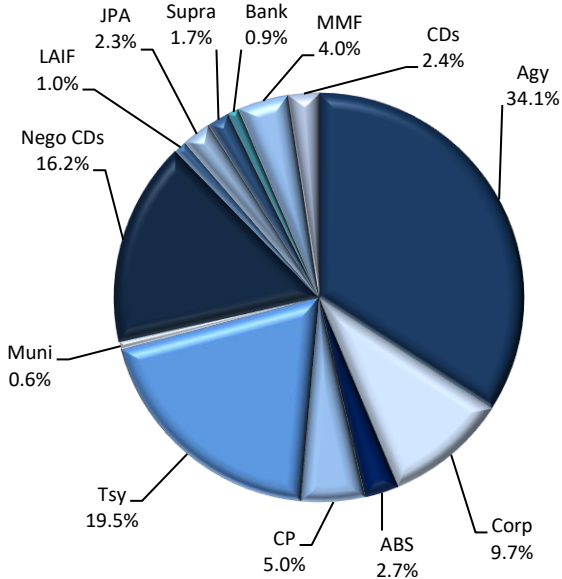
Very truly yours,

A handwritten signature in black ink, appearing to read "Henry C. Levy". The signature is written in a cursive style with a large, stylized "H" and "L".

Henry C. Levy
Treasurer – Tax Collector

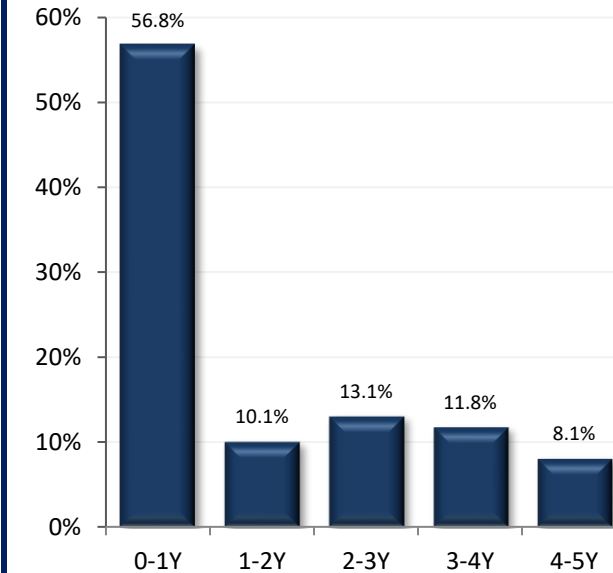
cc: Susan Muranishi, County Administrator
Melissa Wilk, Auditor-Controller
School District and Special District Participants
Members of the Treasury Oversight Committee

SECTOR ALLOCATION



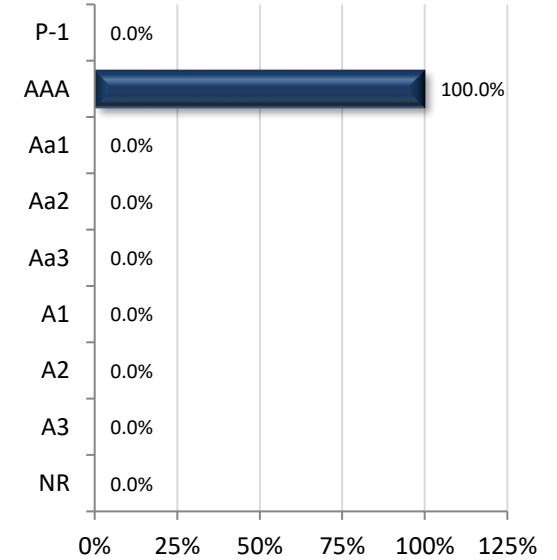
Per Book Value

MATURITY DISTRIBUTION



Per Book Value

CREDIT QUALITY (MOODY'S)



NR: Not Rated

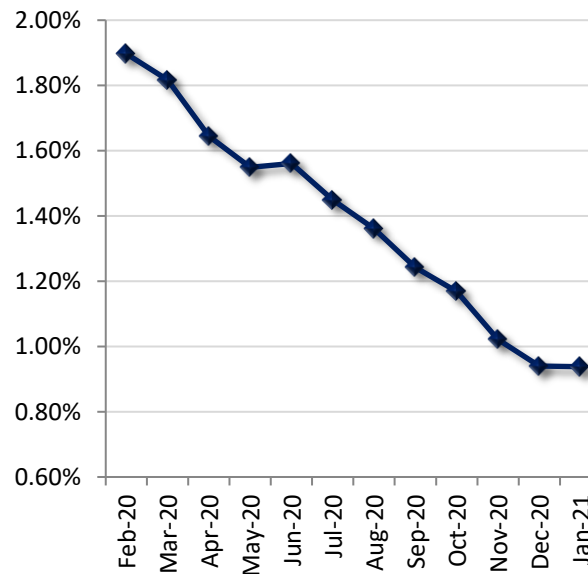
ACCOUNT SUMMARY

	1/31/21	12/31/20
Market Value	\$7,515,399,588	\$7,728,010,901
Book Value*	\$7,423,587,114	\$7,630,833,788
Unrealized G/L	\$91,812,474	\$97,177,113
Par Value	\$7,426,469,928	\$7,633,529,183
Net Asset Value	\$101.237	\$101.273
Book Yield	0.94%	0.94%
Years to Maturity	1.45	1.44
Effective Duration	1.23	1.20

*Book Value is not Amortized

**Note: 50mm maturity on 8/31 was credited the following business day and will show on our September 2019 reports.

PORTFOLIO BOOK YIELD HISTORY



TOP ISSUERS

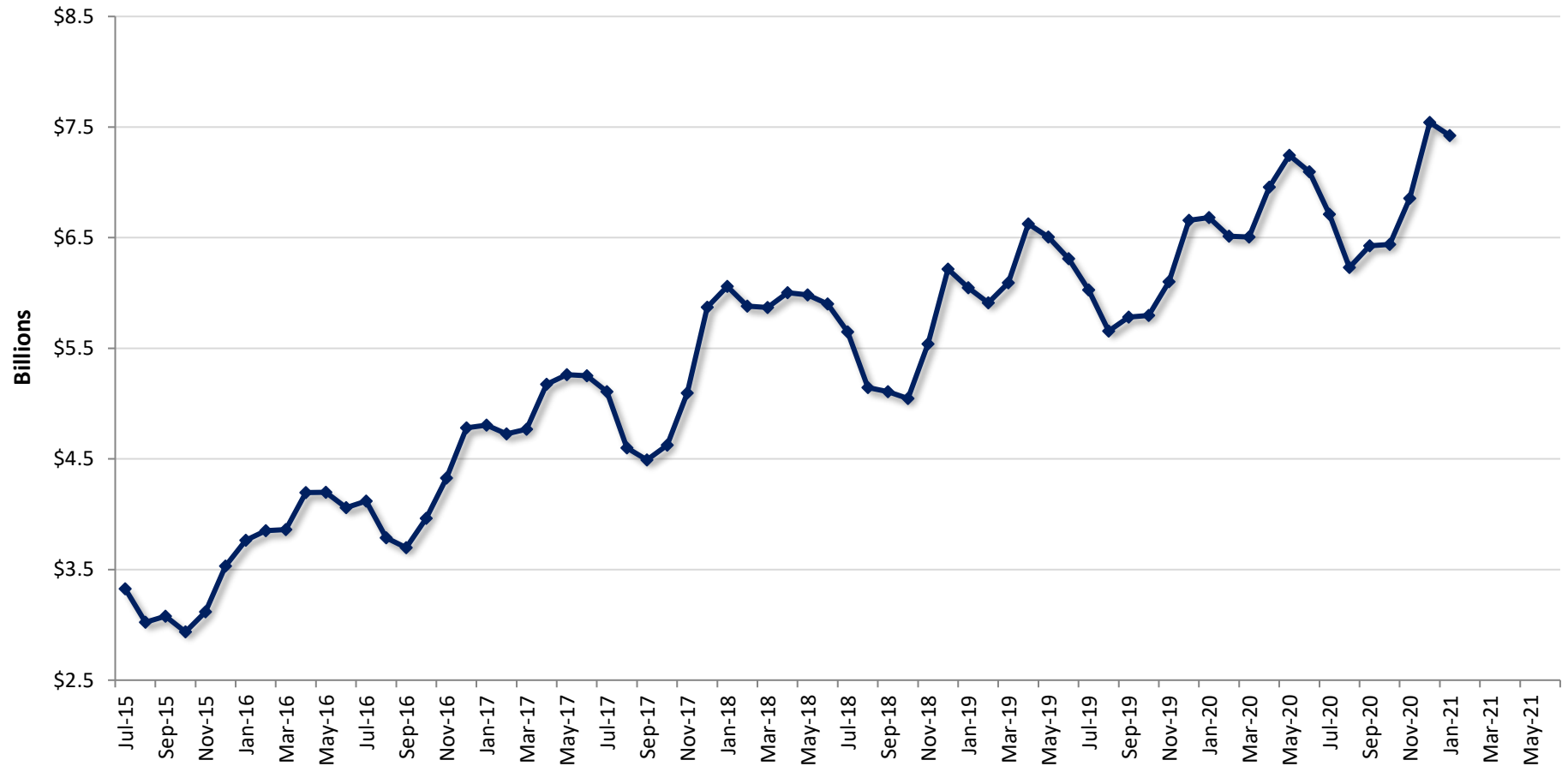
Issuer	% Portfolio
U.S. Treasury	10.7%
Federal National Mtg Assn	8.9%
Treasury Bill	8.8%
Federal Home Loan Mtg Corp	6.8%
FARMER MAC	5.8%
Royal Bank CN	5.4%
Federal Home Loan Bank	4.6%
Toronto Dominion Bank	4.3%
Federal Farm Credit Bank	3.8%
Federal Home Loan Bk Disc Note	3.4%
TOYOTA MOTOR CREDIT CORP	3.1%
Bank of Montreal	2.8%
J.P. Morgan	2.4%
Morgan Stanley Fund 8302	2.0%
MUFG UNION BANK	2.0%

Per Book Value

Item / Sector	Parameters	In Compliance	
Weighted Average Maturity	Maximum WAM of 3.0 years	Yes	1.45 yrs
U.S. Treasury and Federal Agency Obligations	No sector limit; no issuer limit; max maturity 5 years	Yes	53.5%
Debt Issued by State of CA and Local Agencies within the State	20% limit; 5% issuer limit; Minimum rating of A by at least one NRSRO; max maturity 5 years	Yes	0.6%
LAIF	Maximum amount permitted by LAIF (currently \$75 million limit)	Yes	\$72 Mil
Joint Powers Authority (CAMP)	Max Limit: Twice the limit of LAIF deposits (currently \$150 million limit)	Yes	\$130 Mil
Joint Powers Authority (CalTrust)	Max Limit: Twice the limit of LAIF deposits (currently \$150 million limit)	Yes	\$40 Mil
Money Market Mutual Funds	20% limit; 10% per fund limit; SEC registered with stable NAV; Rated AA+ or equivalent by at least two of the three rating agencies or meet advisor requirements	Yes	4.0%
Commercial Paper (Includes Asset Backed)	25% sector limit; 10% combined issuer limit; Max maturity of 270 days; Rated A-1, P-1, or F-1; Total assets over \$500mm; Asset Backed CP Must have program-wide credit enhancements	Yes	5.0%
Negotiable CDs	30% limit; 10% combined issuer limit; Minimum rating of A by rating agency if issued by domestic bank; Minimum rating of AA if a U.S. branch of a foreign bank; Max maturity of 1 year	Yes	16.2%
Collateralized/FDIC - Insured Time Deposits	Time deposits with banks and savings and loans associations located with the State, collateralized according to Government code	Yes	2.4%
Collateralized Money Market Bank Accounts	Deposit funds in interest-bearing active collateralized money market bank accounts	Yes	0.9%
Medium-Term Notes	30% limit; 10% combined issuer limit, Max maturity 5 years; Minimum rating of A or better by two NRSRO's	Yes	9.7%
Asset-Backed Securities	20% limit; 5% issuer limit; Max maturity of 5 years; Minimum rating of AA or better by rating agency	Yes	2.7%
Repurchase Agreement	20% limit; Max maturity of 180 days; Must have 102% collateral; Collateral of agency and treasuries with final maturity not to exceed 5 years	Yes	0.0%
Supranationals	30% limit; 15% issuer limit; Only IBRD, IFC, IADB; Max Maturity 5 years; Minimum rating of AA by a rating agency; max maturity of 5 years	Yes	1.7%
Floater, Structured Notes, Derivatives	15% limit for treasuries, agencies, and munis	Yes	0.0%

Historical Book Values 1/31/2021

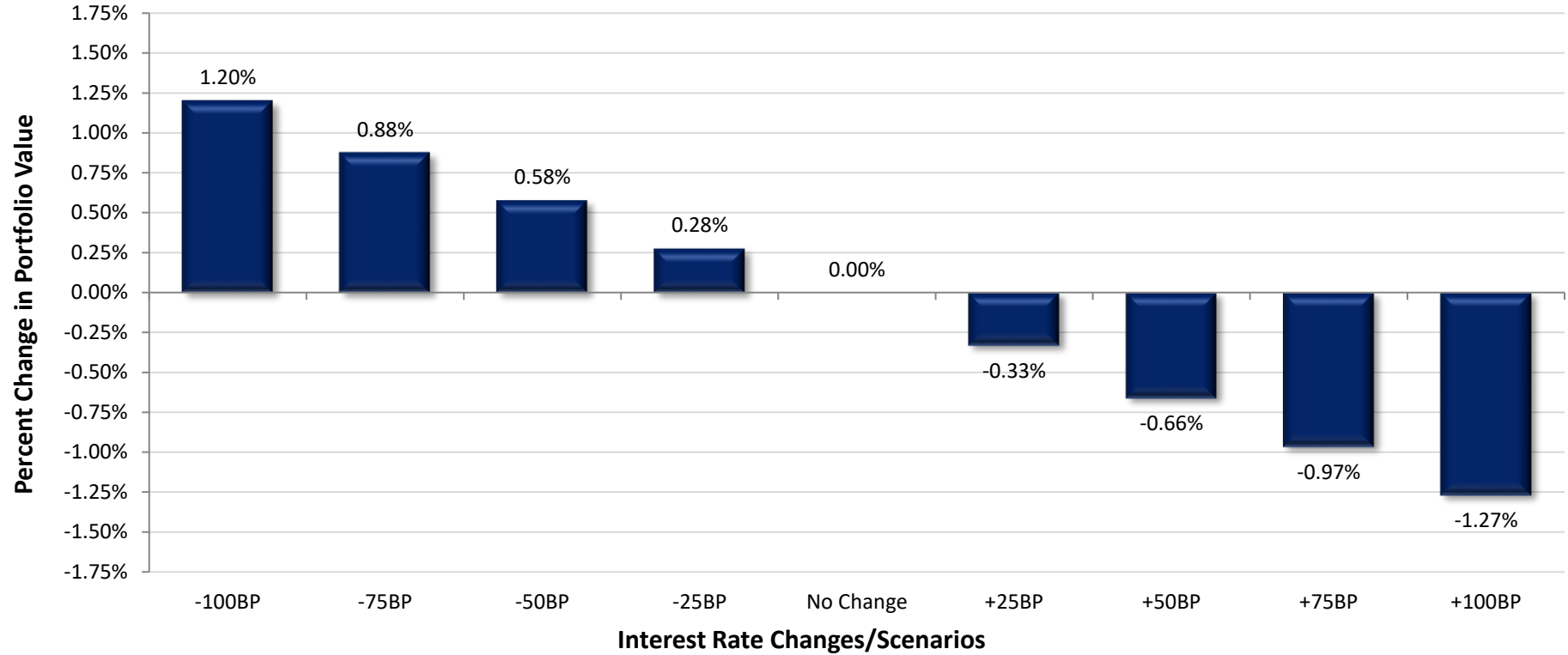
County of Alameda



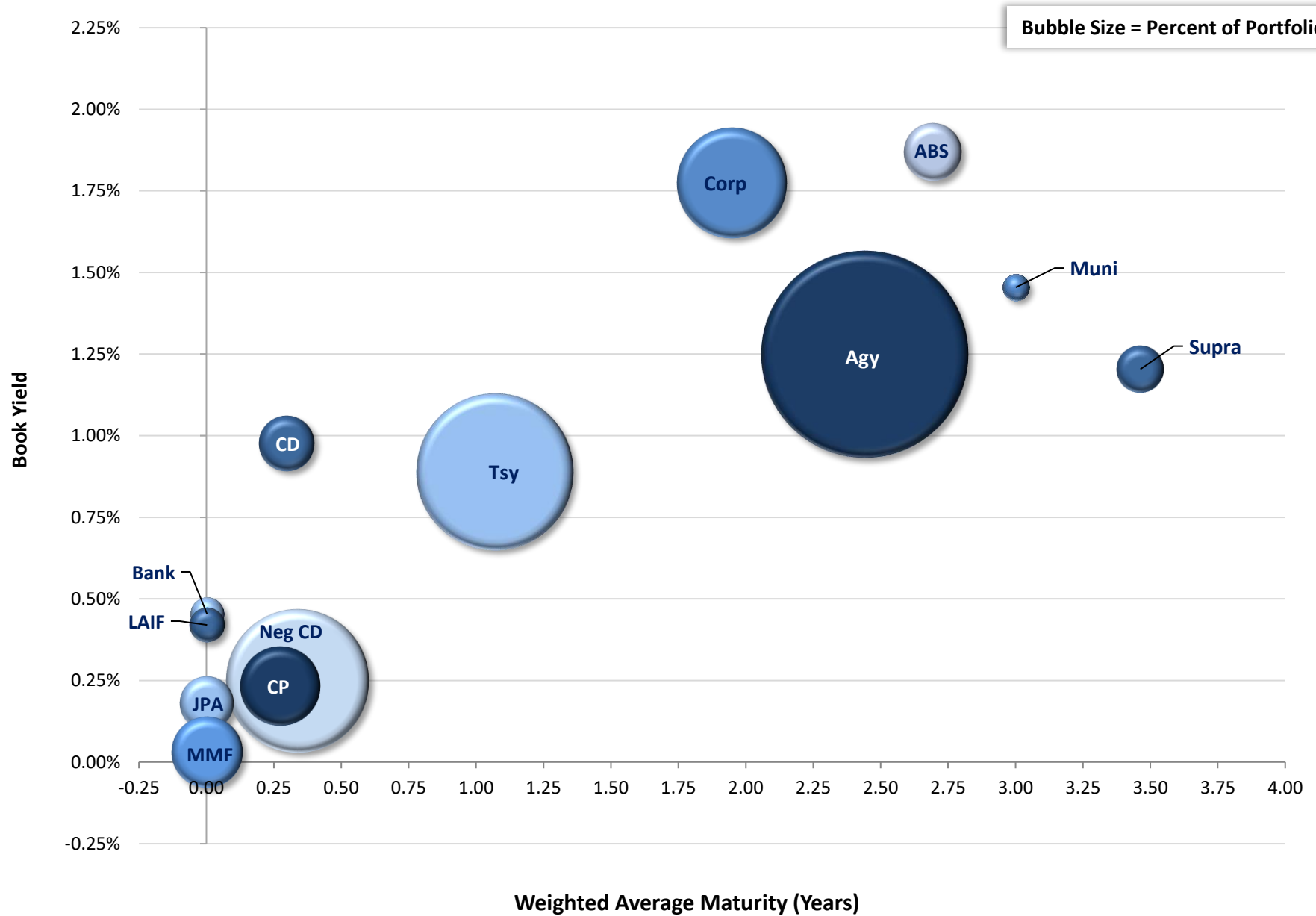
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fiscal Year 2016	\$3.325	\$3.023	\$3.078	\$2.936	\$3.117	\$3.530	\$3.747	\$3.852	\$3.862	\$4.195	\$4.199	\$4.060
Fiscal Year 2017	\$4.120	\$3.786	\$3.698	\$3.962	\$4.328	\$4.781	\$4.807	\$4.726	\$4.767	\$5.174	\$5.263	\$5.253
Fiscal Year 2018	\$5.107	\$4.600	\$4.490	\$4.625	\$5.096	\$5.818	\$6.011	\$5.881	\$5.868	\$6.002	\$5.984	\$5.901
Fiscal Year 2019	\$5.648	\$5.146	\$5.108	\$5.047	\$5.540	\$6.217	\$6.047	\$5.912	\$6.093	\$6.626	\$6.507	\$6.311
Fiscal Year 2020	\$6.029	\$5.655	\$5.782	\$5.797	\$6.103	\$6.658	\$6.682	\$6.513	\$6.507	\$6.958	\$7.246	\$7.096
Fiscal Year 2021	\$6.711	\$6.231	\$6.426	\$6.439	\$6.857	\$7.543	\$7.422					

Figures in Billions, Average Daily Balance

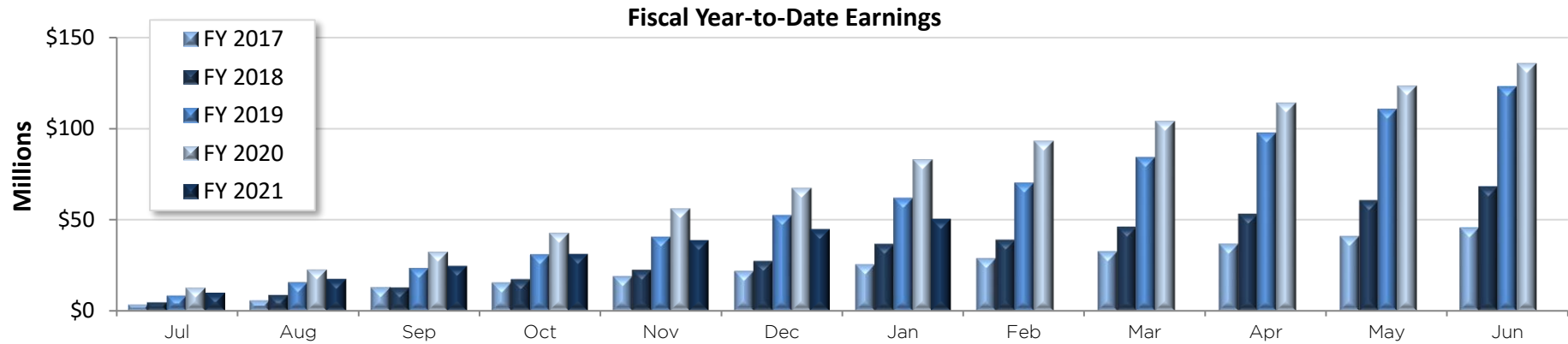
Instantaneous Interest Rate Changes and Approximate Change in Portfolio's Market Value



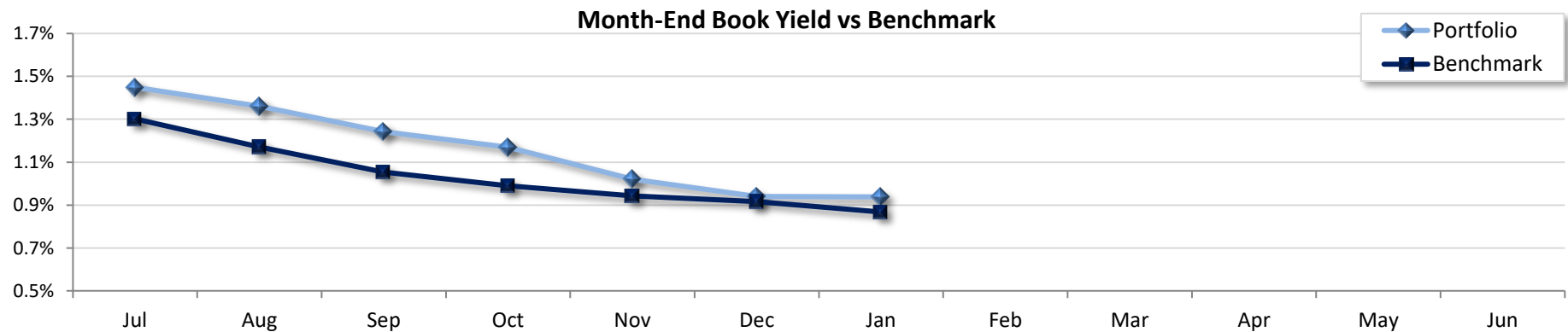
Int. Rate Change	Portfolio Value	Value Change	Percent Change
-100 Basis Points	\$7,605,584,383	\$90,184,795	1.20%
-75 Basis Points	\$7,581,234,488	\$65,834,900	0.88%
-50 Basis Points	\$7,558,688,289	\$43,288,702	0.58%
-25 Basis Points	\$7,536,142,091	\$20,742,503	0.28%
No Change	\$7,515,399,588	\$0	0.00%
+25 Basis Points	\$7,490,583,738	-\$24,815,849	-0.33%
+50 Basis Points	\$7,465,767,889	-\$49,631,699	-0.66%
+75 Basis Points	\$7,442,860,951	-\$72,538,637	-0.97%
+100 Basis Points	\$7,419,954,013	-\$95,445,575	-1.27%



*Note: Excludes Cash Balance

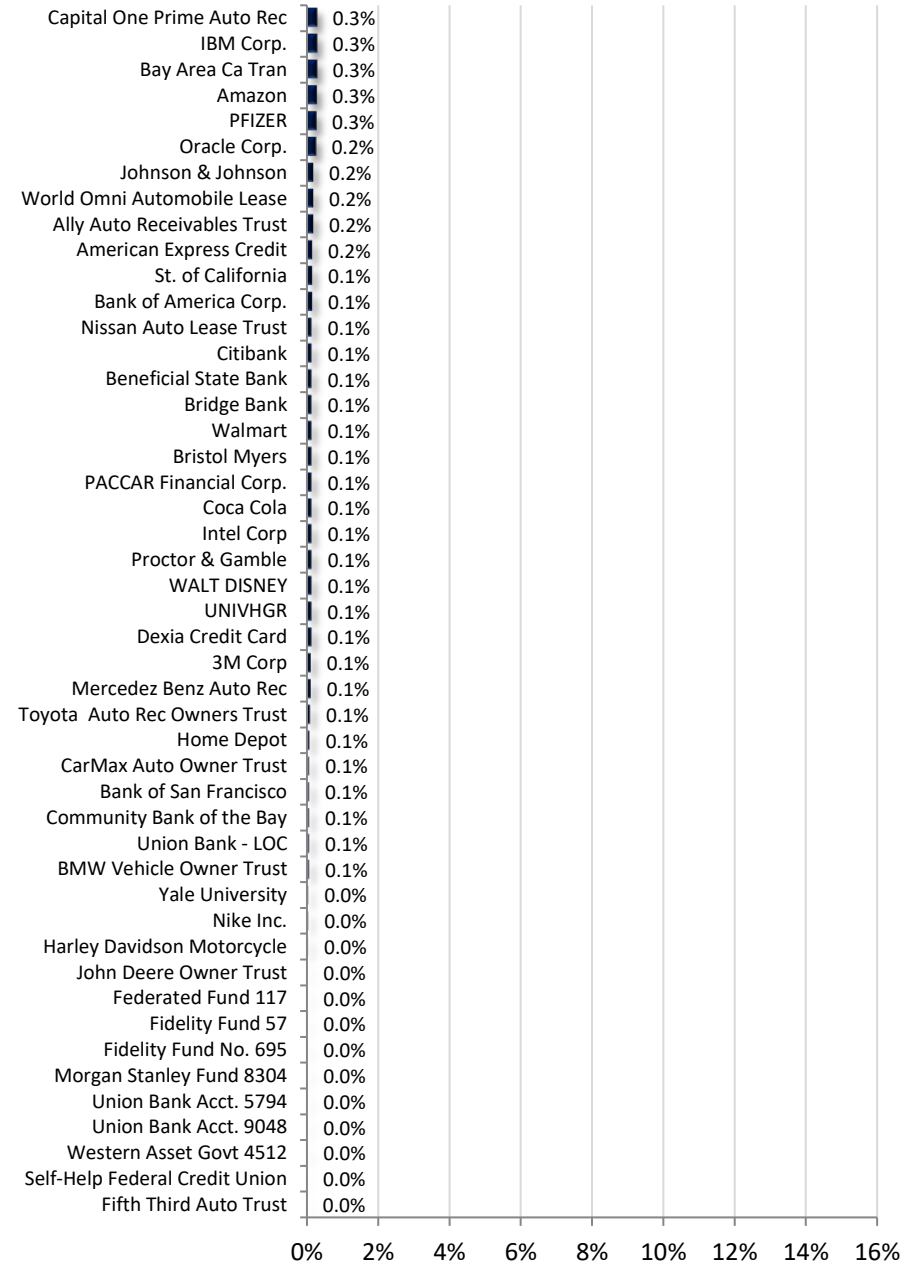
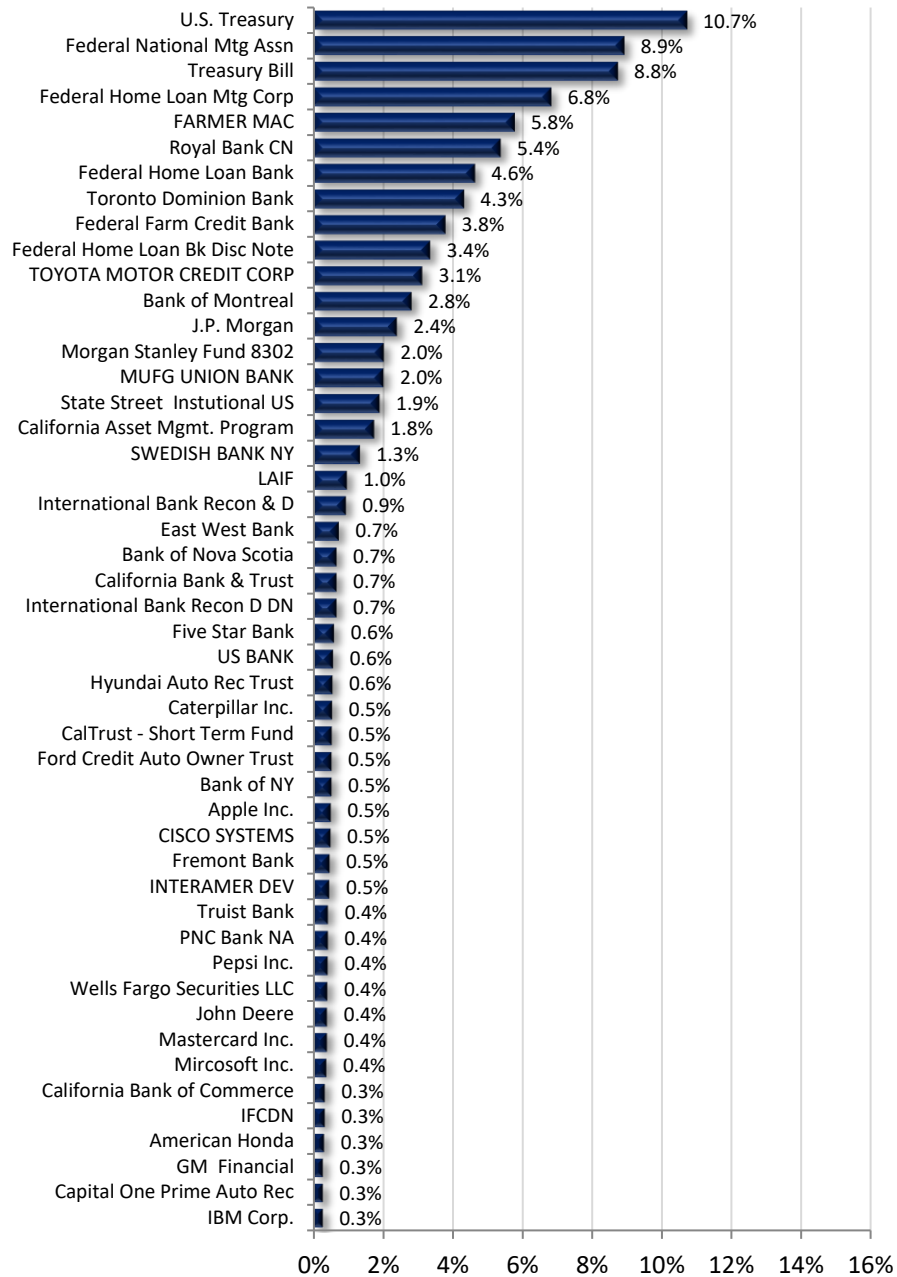


Fiscal YTD (\$Mil)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2017	\$3.4	\$5.8	\$13.0	\$15.5	\$18.9	\$21.8	\$25.4	\$28.7	\$32.5	\$36.5	\$40.7	\$45.4
FY 2018	\$4.6	\$8.7	\$12.8	\$17.3	\$22.4	\$27.3	\$36.5	\$38.8	\$45.9	\$53.0	\$60.3	\$67.8
FY 2019	\$8.4	\$15.8	\$23.5	\$31.1	\$40.7	\$52.6	\$62.1	\$70.3	\$84.4	\$97.7	\$110.6	\$123.0
FY 2020	\$12.7	\$22.7	\$32.4	\$42.8	\$56.2	\$67.5	\$83.2	\$93.3	\$104.2	\$114.2	\$123.6	\$135.9
FY 2021	\$9.9	\$17.5	\$24.4	\$31.0	\$38.5	\$44.5	\$50.1					



	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Month-End Book Yield	1.45%	1.36%	1.24%	1.17%	1.02%	0.94%	0.94%					
Benchmark	1.30%	1.17%	1.05%	0.99%	0.94%	0.92%	0.87%					
Variance	0.15%	0.19%	0.19%	0.18%	0.08%	0.02%	0.07%					

Benchmark: ICE BofAML Indices 30MMA 10% 1-5yr Tsy, 35% 1-5yr Agy, 5% 1-5yr A-AAA Ex Yankee Corp, and 6MMA 10% 0-1yr Tsy, 20% 0-1yr Agy, 20% 0-1yr A-AAA Corp



**Alameda County Investment Pool
Portfolio Management
Portfolio Summary
January 31, 2021**

Investments	Par Value	Market Value	Book Value	% of Portfolio	Days to Maturity	YTM 365 Equiv.
Non-Negotiable CDs	180,170,000.00	180,170,000.00	180,170,000.00	2.43	109	0.976
Local Agency Investment Funds	72,000,000.00	72,000,000.00	72,000,000.00	0.97	1	0.420
Joint Powers Authority	170,000,000.00	170,000,000.00	170,000,000.00	2.29	1	0.179
Money Market Mutual Funds	298,000,000.00	298,000,000.00	298,000,000.00	4.01	1	0.030
Money Market Bank Accounts	67,000,000.00	67,000,000.00	67,000,000.00	0.90	1	0.453
Negotiable CDs	1,200,000,000.00	1,200,198,500.00	1,200,000,000.00	16.16	124	0.248
Corporate Notes	715,819,000.00	731,889,683.48	718,371,647.89	9.68	711	1.775
Washington Supranational Obligation	130,000,000.00	132,738,350.00	129,704,150.00	1.75	1,264	1.204
Commercial Paper Disc. -Amortizing	375,000,000.00	374,835,750.00	374,518,777.79	5.04	100	0.232
Agency Bullets (Aaa/AA+)	1,659,710,000.00	1,708,059,347.20	1,658,012,797.70	22.33	837	1.639
Federal Agency Disc. -Amortizing	300,000,000.00	299,963,500.00	299,925,044.45	4.04	60	0.078
Treasury Notes and Bonds	800,000,000.00	817,204,500.00	796,989,209.39	10.74	604	1.547
Treasury Discounts -Amortizing	650,000,000.00	649,827,000.00	649,726,139.64	8.75	128	0.081
Agency Callables (Aaa/AA+)	570,470,000.00	570,573,539.10	570,298,271.84	7.68	1,486	0.728
Asset Backed Securities	197,720,928.13	200,754,737.03	197,580,299.06	2.66	983	1.868
Municipal Bonds	40,580,000.00	42,184,681.00	41,290,775.80	0.56	1,095	1.454
	7,426,469,928.13	7,515,399,587.81	7,423,587,113.56	100.00%	531	0.938
Investments						

Total Earnings	January 31 Month Ending	Fiscal Year To Date
Current Year	5,691,395.04	50,118,557.72
Average Daily Balance	7,422,064,872.67	6,805,505,675.42
Effective Rate of Return	0.90%	1.25%

Henry C. Levy, Treasurer - Tax Collector

Reporting period 01/01/2021-01/31/2021

Run Date: 02/23/2021 - 11:59

Portfolio POOL
RC
PM (PRF_PM1) 7.3.0
Report Ver. 7.3.6.1

Alameda County Investment Pool
Portfolio Management
Portfolio Details - Investments
January 31, 2021

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Non-Negotiable CDs											
SYS12004	12004	Bank of San Francisco		02/04/2020	5,000,000.00	5,000,000.00	5,000,000.00	1.530	2.028	3	02/04/2021
SYS12255	12255	Bridge Bank		10/01/2020	10,000,000.00	10,000,000.00	10,000,000.00	1.500	1.521	59	04/01/2021
SYS12256	12256	Beneficial State Bank		10/01/2020	10,000,000.00	10,000,000.00	10,000,000.00	1.500	1.521	59	04/01/2021
SYS12117	12117	California Bank & Trust		04/28/2020	30,000,000.00	30,000,000.00	30,000,000.00	1.000	1.014	51	03/24/2021
SYS12218	12218	Community Bank of the Bay		09/08/2020	5,000,000.00	5,000,000.00	5,000,000.00	1.200	1.217	34	03/07/2021
SYS12253	12253	California Bank of Commerce		08/27/2020	15,000,000.00	15,000,000.00	15,000,000.00	0.499	0.506	24	02/25/2021
SYS12254	12254	California Bank of Commerce		08/27/2020	10,000,000.00	10,000,000.00	10,000,000.00	0.500	0.507	24	02/25/2021
SYS12121	12121	East West Bank		04/29/2020	15,000,000.00	15,000,000.00	15,000,000.00	0.700	0.710	87	04/29/2021
SYS12301	12301	East West Bank		11/12/2020	40,000,000.00	40,000,000.00	40,000,000.00	1.500	1.521	284	11/12/2021
SYS12380	12380	Fremont Bank		01/30/2021	35,000,000.00	35,000,000.00	35,000,000.00	0.120	0.122	88	04/30/2021
SYS12035	12035	Self-Help Federal Credit Union		03/13/2020	170,000.00	170,000.00	170,000.00	1.250	1.267	40	03/13/2021
SYS12098	12098	Union Bank - LOC		04/16/2020	5,000,000.00	5,000,000.00	5,000,000.00	2.000	2.028	74	04/16/2021
Subtotal and Average			180,170,000.00		180,170,000.00	180,170,000.00	180,170,000.00		0.976	109	
Local Agency Investment Funds											
SYS10285	10285	LAIF		07/01/2018	72,000,000.00	72,000,000.00	72,000,000.00	0.420	0.420	1	
Subtotal and Average			72,000,000.00		72,000,000.00	72,000,000.00	72,000,000.00		0.420	1	
Joint Powers Authority											
SYS10470	10470	California Asset Mgmt. Program		07/01/2018	130,000,000.00	130,000,000.00	130,000,000.00	0.120	0.120	1	
SYS10472	10472	CalTrust - Short Term Fund		07/01/2018	40,000,000.00	40,000,000.00	40,000,000.00	0.370	0.370	1	
Subtotal and Average			170,000,000.00		170,000,000.00	170,000,000.00	170,000,000.00		0.179	1	
Money Market Mutual Funds											
608919718	11093	Federated Fund 117		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.010	0.010	1	
316175504	10274	Fidelity Fund No. 695		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.010	0.010	1	
316175108	11090	Fidelity Fund 57		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.010	0.010	1	
61747C707	10280	Morgan Stanley Fund 8302		07/01/2018	151,000,000.00	151,000,000.00	151,000,000.00	0.030	0.030	1	
61747C582	11089	Morgan Stanley Fund 8304		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.010	0.010	1	
SYS12009	12009	State Street Institutional US		02/11/2020	142,000,000.00	142,000,000.00	142,000,000.00	0.030	0.030	1	
52470G791	10318	Western Asset Govt 4512		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.010	0.010	1	
Subtotal and Average			203,548,387.10		298,000,000.00	298,000,000.00	298,000,000.00		0.030	1	

Alameda County Investment Pool
Portfolio Management
Portfolio Details - Investments
January 31, 2021

Page 2

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
Money Market Bank Accounts											
SYS12169	12169	Five Star Bank		11/12/2019	45,000,000.00	45,000,000.00	45,000,000.00	0.540	0.540	1	
SYS10286	10286	California Bank & Trust		07/01/2018	20,000,000.00	20,000,000.00	20,000,000.00	0.300	0.300	1	
SYS10290	10290	Union Bank Acct. 5794		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.030	0.030	1	
SYS10291	10291	Union Bank Acct. 9048		07/01/2018	1,000,000.00	1,000,000.00	1,000,000.00	0.030	0.030	1	
Subtotal and Average			67,000,000.00		67,000,000.00	67,000,000.00	67,000,000.00		0.453	1	
Negotiable CDs											
06367BRY7	12208	Bank of Montreal		08/25/2020	50,000,000.00	50,000,000.00	50,000,000.00	0.240	0.243	198	08/18/2021
06367BTF6	12213	Bank of Montreal		08/31/2020	50,000,000.00	50,000,500.00	50,000,000.00	0.180	0.183	142	06/23/2021
06367C2J5	12296	Bank of Montreal		11/09/2020	50,000,000.00	50,003,000.00	50,000,000.00	0.190	0.193	30	03/03/2021
06367C3M7	12306	Bank of Montreal		11/17/2020	50,000,000.00	50,006,000.00	50,000,000.00	0.220	0.223	58	03/31/2021
06417MMD4	12315	Bank of Nova Scotia		11/24/2020	50,000,000.00	50,015,000.00	50,000,000.00	0.250	0.253	179	07/30/2021
62478U5Y8	12215	MUFG UNION BANK		08/31/2020	50,000,000.00	50,012,500.00	50,000,000.00	0.200	0.203	128	06/09/2021
62478UJU0	12369	MUFG UNION BANK		01/25/2021	50,000,000.00	50,002,500.00	50,000,000.00	0.170	0.172	179	07/30/2021
62478UAX4	12372	MUFG UNION BANK		01/28/2021	50,000,000.00	49,999,500.00	50,000,000.00	0.160	0.162	179	07/30/2021
78012URV3	12110	Royal Bank CN		04/24/2020	50,000,000.00	50,000,000.00	50,000,000.00	0.660	0.669	16	02/17/2021
78012UVW2	12125	Royal Bank CN		04/30/2020	50,000,000.00	50,002,500.00	50,000,000.00	0.470	0.477	2	02/03/2021
78012UWU5	12174	Royal Bank CN		06/22/2020	50,000,000.00	50,013,000.00	50,000,000.00	0.320	0.324	44	03/17/2021
78012UXN0	12227	Royal Bank CN		09/21/2020	50,000,000.00	50,012,500.00	50,000,000.00	0.200	0.203	179	07/30/2021
78012UXR1	12240	Royal Bank CN		09/24/2020	50,000,000.00	50,006,000.00	50,000,000.00	0.200	0.203	58	03/31/2021
78012UXZE	12243	Royal Bank CN		09/29/2020	50,000,000.00	50,000,000.00	50,000,000.00	0.210	0.213	179	07/30/2021
78012UZM0	12309	Royal Bank CN		11/20/2020	50,000,000.00	50,007,500.00	50,000,000.00	0.210	0.213	120	06/01/2021
78012UC78	12349	Royal Bank CN		12/11/2020	50,000,000.00	50,013,500.00	50,000,000.00	0.210	0.213	143	06/24/2021
87019VL88	12252	SWEDISH BANK NY		09/30/2020	50,000,000.00	50,015,000.00	50,000,000.00	0.230	0.233	179	07/30/2021
87019VM79	12275	SWEDISH BANK NY		10/27/2020	50,000,000.00	50,017,500.00	50,000,000.00	0.240	0.243	179	07/30/2021
89114NRJ6	12214	Toronto Dominion Bank		08/31/2020	50,000,000.00	50,010,500.00	50,000,000.00	0.210	0.213	156	07/07/2021
89114NS97	12223	Toronto Dominion Bank		09/14/2020	50,000,000.00	50,017,500.00	50,000,000.00	0.240	0.243	179	07/30/2021
89114NS89	12224	Toronto Dominion Bank		09/14/2020	50,000,000.00	50,002,000.00	50,000,000.00	0.190	0.193	16	02/17/2021
89114NTD7	12244	Toronto Dominion Bank		09/29/2020	50,000,000.00	50,010,000.00	50,000,000.00	0.210	0.213	179	07/30/2021
89114NVB8	12308	Toronto Dominion Bank		11/17/2020	50,000,000.00	50,013,000.00	50,000,000.00	0.220	0.223	100	05/12/2021
89114NX75	12341	Toronto Dominion Bank		12/08/2020	50,000,000.00	50,019,000.00	50,000,000.00	0.250	0.253	144	06/25/2021
Subtotal and Average			1,293,548,387.10		1,200,000,000.00	1,200,198,500.00	1,200,000,000.00		0.248	124	
Corporate Notes											
037833CC2	11060	Apple Inc.		08/04/2016	5,000,000.00	5,029,900.00	4,993,050.00	1.550	1.579	184	08/04/2021

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Corporate Notes											
037833DM9	11851	Apple Inc.		09/11/2019	3,000,000.00	3,146,640.00	2,993,160.00	1.800	1.848	1,318	09/11/2024
037833DL1	11852	Apple Inc.		09/11/2019	1,000,000.00	1,023,110.00	999,830.00	1.700	1.706	587	09/11/2022
037833DM9	11943	Apple Inc.		12/12/2019	9,000,000.00	9,439,920.00	8,918,370.00	1.800	2.001	1,318	09/11/2024
037833DT4	12133	Apple Inc.		05/11/2020	5,000,000.00	5,112,300.00	4,991,050.00	1.125	1.162	1,560	05/11/2025
0037833DV9	12134	Apple Inc.		05/11/2020	5,000,000.00	4,986,400.00	4,986,400.00	0.750	0.842	829	05/11/2023
037833DX5	12200	Apple Inc.		08/20/2020	5,000,000.00	4,987,000.00	4,988,200.00	0.550	0.606	1,661	08/20/2025
037833DX5	12201	Apple Inc.		08/20/2020	5,000,000.00	4,987,000.00	4,988,200.00	0.550	0.606	1,661	08/20/2025
0258M0EB1	12031	American Express Credit		03/12/2020	11,137,000.00	11,176,313.61	11,240,239.99	2.250	1.432	93	05/05/2021
023135BQ8	12162	Amazon		06/10/2020	5,000,000.00	5,046,900.00	4,995,350.00	0.800	0.819	1,583	06/03/2025
023135BQ8	12163	Amazon		06/10/2020	5,000,000.00	5,046,900.00	4,993,750.00	0.800	0.826	1,583	06/03/2025
023135BQ8	12166	Amazon		06/11/2020	10,000,000.00	10,093,800.00	9,990,700.00	0.800	0.819	1,583	06/03/2025
06051GJG5	12241	Bank of America Corp.		09/25/2020	8,000,000.00	8,062,560.00	8,000,000.00	0.981	0.981	1,697	09/25/2025
06051GJG5	12242	Bank of America Corp.		09/25/2020	3,000,000.00	3,023,460.00	3,000,000.00	0.981	0.981	1,697	09/25/2025
06406RAK3	12093	Bank of NY		04/08/2020	16,301,000.00	16,740,148.94	16,340,611.43	1.950	1.845	568	08/23/2022
06406HBY4	12127	Bank of NY		05/05/2020	15,493,000.00	15,780,859.94	16,008,142.25	3.550	1.120	234	09/23/2021
06406RAL1	12153	Bank of NY		06/01/2020	6,540,000.00	6,931,222.80	6,848,426.40	2.100	1.001	1,361	10/24/2024
06368EA36	12336	Bank of Montreal		12/08/2020	10,000,000.00	10,023,000.00	9,993,500.00	0.450	0.472	1,040	12/08/2023
110122DN5	12302	Bristol Myers		11/13/2020	5,000,000.00	5,010,450.00	4,991,900.00	0.750	0.783	1,746	11/13/2025
110122DT2	12303	Bristol Myers		11/13/2020	5,000,000.00	5,010,100.00	5,000,000.00	0.537	0.537	1,015	11/13/2023
14913Q3A5	11839	Caterpillar Inc.		09/06/2019	6,000,000.00	6,151,560.00	5,991,660.00	1.900	1.948	582	09/06/2022
14913Q3C1	11971	Caterpillar Inc.		01/13/2020	15,000,000.00	15,394,200.00	14,993,100.00	1.950	1.967	655	11/18/2022
14913Q3C1	12032	Caterpillar Inc.		03/12/2020	5,000,000.00	5,131,400.00	5,071,600.00	1.950	1.404	655	11/18/2022
14913Q2N8	12040	Caterpillar Inc.		03/17/2020	4,515,000.00	4,594,554.30	4,597,173.00	3.150	1.890	218	09/07/2021
14913R2F3	12222	Caterpillar Inc.		09/14/2020	10,000,000.00	10,015,600.00	9,993,200.00	0.450	0.473	955	09/14/2023
17275RBD3	11575	CISCO SYSTEMS		10/11/2018	10,000,000.00	10,014,600.00	9,779,300.00	2.200	3.180	27	02/28/2021
17275RBJ0	11782	CISCO SYSTEMS		06/27/2019	9,000,000.00	9,081,000.00	8,967,870.00	1.850	2.014	231	09/20/2021
17275RBJ0	12054	CISCO SYSTEMS		03/20/2020	2,455,000.00	2,477,095.00	2,436,170.15	1.850	2.374	231	09/20/2021
17275RBD3	12070	CISCO SYSTEMS		03/25/2020	16,501,000.00	16,525,091.46	16,254,310.05	2.200	3.855	27	02/28/2021
17325FAY4	11883	Citibank		10/29/2019	10,000,000.00	10,076,000.00	10,118,600.00	2.844	2.369	473	05/20/2022
24422EVA4	12091	John Deere		04/07/2020	18,000,000.00	18,411,120.00	18,017,820.00	1.950	1.903	497	06/13/2022
24422EVG1	12156	John Deere		06/04/2020	7,000,000.00	7,032,130.00	6,998,530.00	0.550	0.560	519	07/05/2022
24422EVH9	12157	John Deere		06/04/2020	3,000,000.00	3,023,910.00	2,997,540.00	0.700	0.727	884	07/05/2023
24422EVJ5	12259	John Deere		10/09/2020	2,000,000.00	2,004,360.00	1,997,680.00	0.400	0.439	981	10/10/2023
254687FN1	12066	WALT DISNEY		03/23/2020	5,000,000.00	5,515,550.00	4,997,254.44	3.350	3.360	1,512	03/24/2025
254687FJ0	12075	WALT DISNEY		03/27/2020	5,000,000.00	5,105,550.00	4,960,158.33	1.650	2.038	577	09/01/2022
437076BL5	12056	Home Depot		03/20/2020	4,217,000.00	4,223,198.99	4,245,945.02	2.000	2.249	59	04/01/2021

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Corporate Notes											
437076BL5	12077	Home Depot		03/30/2020	1,546,000.00	1,548,272.62	1,545,072.40	2.000	2.061	59	04/01/2021
02665WDF5	11914	American Honda		11/21/2019	10,000,000.00	10,205,000.00	9,996,600.00	1.950	1.966	473	05/20/2022
02665WCA7	12028	American Honda		03/12/2020	5,000,000.00	5,202,350.00	5,153,500.00	2.600	1.427	653	11/16/2022
02665WDH1	12029	American Honda		03/12/2020	3,000,000.00	3,107,340.00	3,041,700.00	1.950	1.498	828	05/10/2023
02665WDH1	12030	American Honda		03/12/2020	5,500,000.00	5,696,790.00	5,577,825.00	1.950	1.490	828	05/10/2023
459200JX0	11890	IBM Corp.		10/31/2019	6,674,000.00	6,813,953.78	6,813,953.78	2.850	1.997	466	05/13/2022
459200JX0	11891	IBM Corp.		10/31/2019	10,000,000.00	10,208,900.00	10,208,900.00	2.850	2.000	466	05/13/2022
459200JX0	11931	IBM Corp.		11/27/2019	3,650,000.00	3,726,248.50	3,726,248.50	2.850	1.976	466	05/13/2022
458140BP4	12069	Intel Corp		03/25/2020	10,000,000.00	11,057,400.00	9,984,500.00	3.400	3.434	1,513	03/25/2025
478160BS2	10927	Johnson & Johnson		03/01/2016	2,000,000.00	2,002,120.00	2,000,000.00	1.650	1.650	28	03/01/2021
478160CD4	11226	Johnson & Johnson		03/03/2017	11,000,000.00	11,242,220.00	10,970,080.00	2.250	2.308	395	03/03/2022
46647PBS48	12226	J.P. Morgan		09/16/2020	4,000,000.00	4,021,720.00	4,000,000.00	0.653	0.653	1,323	09/16/2024
191216CN8	12068	Coca Cola		03/25/2020	10,000,000.00	10,944,200.00	9,991,692.99	2.950	2.968	1,513	03/25/2025
57636QAF1	11737	Mastercard Inc.		04/25/2019	10,000,000.00	10,131,100.00	9,856,500.00	2.000	2.580	293	11/21/2021
57636QAF1	11781	Mastercard Inc.		06/27/2019	20,000,000.00	20,262,200.00	19,982,600.00	2.000	2.037	293	11/21/2021
88579YAF8	12036	3M Corp		03/16/2020	3,500,000.00	3,585,995.00	3,524,811.50	2.000	1.681	510	06/26/2022
88579YBL4	12078	3M Corp		03/30/2020	4,761,000.00	4,899,354.66	4,727,530.17	1.750	2.003	743	02/14/2023
594918BP8	11063	Mircosoft Inc.		08/08/2016	2,000,000.00	2,012,140.00	1,997,900.00	1.550	1.572	188	08/08/2021
594918BP8	11065	Mircosoft Inc.		08/08/2016	7,000,000.00	7,042,490.00	6,992,650.00	1.550	1.572	188	08/08/2021
594918BQ6	11783	Mircosoft Inc.		06/27/2019	4,157,000.00	4,323,986.69	4,160,450.31	2.000	1.979	918	08/08/2023
594918AQ7	11836	Mircosoft Inc.		08/30/2019	15,150,000.00	15,671,463.00	15,376,644.00	2.125	1.644	652	11/15/2022
654106AH6	12074	Nike Inc.		03/27/2020	3,000,000.00	3,217,020.00	2,995,920.00	2.400	2.429	1,515	03/27/2025
68389XBK0	12041	Oracle Corp.		03/17/2020	5,000,000.00	5,045,000.00	5,018,200.00	1.900	1.652	226	09/15/2021
68389XBK0	12048	Oracle Corp.		03/19/2020	10,463,000.00	10,557,167.00	10,399,698.85	1.900	2.316	226	09/15/2021
38389XBT1	12082	Oracle Corp.		04/01/2020	3,000,000.00	2,998,890.00	2,998,890.00	2.500	2.508	1,520	04/01/2025
69371RQ66	12006	PACCAR Financial Corp.		02/06/2020	10,000,000.00	10,433,200.00	9,991,900.00	1.800	1.817	1,466	02/06/2025
713448DX3	11333	Pepsi Inc.		10/10/2017	9,000,000.00	9,020,520.00	8,998,200.00	2.000	2.006	73	04/15/2021
713448EQ7	12045	Pepsi Inc.		03/19/2020	2,500,000.00	2,660,575.00	2,498,236.67	2.250	2.265	1,507	03/19/2025
713448EQ7	12047	Pepsi Inc.		03/19/2020	5,000,000.00	5,321,150.00	4,996,450.00	2.250	2.265	1,507	03/19/2025
713448EQ7	12051	Pepsi Inc.		03/20/2020	5,000,000.00	5,321,150.00	4,991,650.00	2.250	2.286	1,507	03/19/2025
713448FB9	12257	Pepsi Inc.		10/07/2020	10,000,000.00	10,025,400.00	9,994,300.00	0.400	0.120	978	10/07/2023
717081DZ3	11871	PFIZER		10/16/2019	14,025,000.00	14,263,004.25	14,131,590.00	2.200	1.840	317	12/15/2021
717081EX7	12151	PFIZER		05/28/2020	5,000,000.00	5,047,800.00	4,968,800.00	0.800	0.928	1,577	05/28/2025
742718EQ8	11126	Proctor & Gamble		11/03/2016	5,000,000.00	5,056,550.00	4,989,750.00	1.700	1.743	275	11/03/2021
742718FL8	12280	Proctor & Gamble		10/29/2020	5,000,000.00	5,004,050.00	4,991,900.00	0.550	0.583	1,731	10/29/2025
69353REW4	11826	PNC Bank NA		08/26/2019	3,150,000.00	3,160,206.00	3,153,811.50	2.150	2.075	87	04/29/2021

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Corporate Notes											
69353RFE3	11854	PNC Bank NA		09/16/2019	13,216,000.00	13,611,819.20	13,314,327.04	2.450	2.180	542	07/28/2022
69349LAG3	11909	PNC Bank NA		11/15/2019	15,000,000.00	15,596,850.00	15,265,950.00	2.700	2.116	638	11/01/2022
89114QCM8	12364	Toronto Dominion Bank		01/06/2021	12,000,000.00	11,983,800.00	11,989,200.00	0.250	0.295	704	01/06/2023
89114QCP1	12365	Toronto Dominion Bank		01/06/2021	10,000,000.00	9,951,400.00	9,985,300.00	0.750	0.780	1,800	01/06/2026
89236TEC5	11916	TOYOTA MOTOR CREDIT CORP		11/22/2019	5,000,000.00	5,149,150.00	5,039,950.00	2.150	1.855	584	09/08/2022
89236TEC5	11917	TOYOTA MOTOR CREDIT CORP		11/22/2019	15,000,000.00	15,447,450.00	15,122,250.00	2.150	1.849	584	09/08/2022
89233P5T9	12072	TOYOTA MOTOR CREDIT CORP		03/26/2020	2,000,000.00	2,056,160.00	1,980,080.00	3.300	3.878	345	01/12/2022
89236TGX7	12081	TOYOTA MOTOR CREDIT CORP		04/01/2020	6,000,000.00	6,556,620.00	5,988,960.00	3.000	3.040	1,520	04/01/2025
89236TGW9	12083	TOYOTA MOTOR CREDIT CORP		04/01/2020	5,000,000.00	5,278,300.00	4,999,450.00	2.900	2.904	787	03/30/2023
07330NAJ4	11944	Truist Bank		12/13/2019	15,000,000.00	15,032,250.00	15,152,385.00	2.850	2.053	59	04/01/2021
89788JAB5	12026	Truist Bank		03/09/2020	10,000,000.00	10,188,200.00	9,993,000.00	1.250	1.274	766	03/09/2023
86787EBE6	12173	Truist Bank		06/22/2020	6,618,000.00	6,821,040.24	6,888,279.12	2.800	0.637	470	05/17/2022
90331HPF4	11935	US BANK		12/09/2019	20,000,000.00	20,609,200.00	19,983,200.00	1.950	1.978	707	01/09/2023
90331HPJ6	12095	US BANK		04/09/2020	22,750,000.00	23,072,822.50	22,809,150.00	1.800	1.651	354	01/21/2022
95000U2B8	11896	Wells Fargo Securities LLC		11/07/2019	15,000,000.00	15,493,500.00	15,173,250.00	2.625	2.183	536	07/22/2022
95001D6U9	12124	Wells Fargo Securities LLC		04/30/2020	5,000,000.00	5,029,950.00	5,000,000.00	2.150	2.150	818	04/30/2023
95000U2B8	12135	Wells Fargo Securities LLC		05/11/2020	10,000,000.00	10,329,000.00	10,260,760.00	2.625	1.415	536	07/22/2022
931142DU4	11342	Walmart		10/20/2017	5,000,000.00	5,190,000.00	4,999,600.00	2.350	2.351	682	12/15/2022
931142EJ8	11535	Walmart		06/27/2018	3,000,000.00	3,034,830.00	2,999,850.00	3.125	3.127	142	06/23/2021
931142EK5	11536	Walmart		06/27/2018	2,000,000.00	2,145,820.00	1,999,460.00	3.400	3.406	875	06/26/2023
98459LAA1	12160	Yale University		06/09/2020	3,000,000.00	3,039,690.00	3,000,000.00	0.873	0.873	1,534	04/15/2025
Subtotal and Average			726,733,232.40		715,819,000.00	731,889,683.48	718,371,647.89		1.775	711	
Washington Supranational Obligation											
45818WCS3	11932	INTERAMER DEV		12/03/2019	10,000,000.00	10,484,900.00	9,991,000.00	1.700	1.719	1,383	11/15/2024
45818WCS3	11950	INTERAMER DEV		12/16/2019	25,000,000.00	26,212,250.00	24,891,000.00	1.700	1.793	1,383	11/15/2024
459058GH0	11544	International Bank Recon & D		07/25/2018	10,000,000.00	10,124,100.00	9,976,600.00	2.750	2.832	172	07/23/2021
459058JL8	12277	International Bank Recon & D		10/28/2020	15,000,000.00	14,982,900.00	14,983,050.00	0.500	0.523	1,730	10/28/2025
459058JM6	12312	International Bank Recon & D		11/24/2020	20,000,000.00	20,009,200.00	19,957,000.00	0.250	0.322	1,026	11/24/2023
459058JM6	12313	International Bank Recon & D		11/24/2020	15,000,000.00	15,006,900.00	14,967,750.00	0.250	0.322	1,026	11/24/2023
459058JE4	12358	International Bank Recon & D		12/23/2020	10,000,000.00	9,942,600.00	9,984,000.00	0.375	0.410	1,635	07/25/2025
45950VNP7	11974	IFCDN		01/17/2020	25,000,000.00	25,975,500.00	24,953,750.00	1.680	1.719	1,439	01/10/2025
Subtotal and Average			150,683,585.49		130,000,000.00	132,738,350.00	129,704,150.00		1.204	1,264	

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Commercial Paper Disc. -Amortizing											
46640PP31	12196	J.P. Morgan		08/03/2020	50,000,000.00	50,000,000.00	49,938,666.67	0.240	0.249	2	02/03/2021
46640PU76	12263	J.P. Morgan		10/19/2020	25,000,000.00	24,982,750.00	24,956,500.00	0.240	0.247	156	07/07/2021
46640PTQ6	12264	J.P. Morgan		10/19/2020	50,000,000.00	49,968,000.00	49,920,777.78	0.230	0.236	143	06/24/2021
46640PTQ6	12276	J.P. Morgan		10/27/2020	50,000,000.00	49,968,000.00	49,926,666.67	0.220	0.226	143	06/24/2021
89233GT14	12284	TOYOTA MOTOR CREDIT CORP		11/03/2020	50,000,000.00	49,973,500.00	49,930,000.00	0.240	0.246	120	06/01/2021
89233GSS6	12285	TOYOTA MOTOR CREDIT CORP		11/03/2020	50,000,000.00	49,974,500.00	49,934,833.33	0.230	0.235	114	05/26/2021
89233GQQ2	12297	TOYOTA MOTOR CREDIT CORP		11/10/2020	50,000,000.00	49,991,000.00	49,960,916.67	0.210	0.213	51	03/24/2021
89233GSC1	12311	TOYOTA MOTOR CREDIT CORP		11/23/2020	50,000,000.00	49,978,000.00	49,950,416.67	0.210	0.213	100	05/12/2021
Subtotal and Average			374,518,777.79		375,000,000.00	374,835,750.00	374,518,777.79		0.232	100	
Agency Bullets (Aaa/AA+)											
3132X0Q53	11469	FARMER MAC		03/29/2018	10,000,000.00	10,040,800.00	9,995,100.00	2.600	2.617	56	03/29/2021
3132X0U25	11486	FARMER MAC		04/19/2018	30,000,000.00	31,757,700.00	29,982,000.00	2.800	2.813	807	04/19/2023
3132X0U25	11487	FARMER MAC		04/19/2018	40,000,000.00	42,343,600.00	39,976,000.00	2.800	2.813	807	04/19/2023
3132X0U25	11488	FARMER MAC		04/19/2018	30,000,000.00	31,757,700.00	29,982,000.00	2.800	2.813	807	04/19/2023
31422BEV8	11731	FARMER MAC		04/22/2019	50,000,000.00	50,821,500.00	50,000,000.00	2.485	2.485	245	10/04/2021
31422BEX4	11736	FARMER MAC		04/24/2019	50,000,000.00	51,965,000.00	50,000,000.00	2.475	2.475	610	10/04/2022
31422BFL9	11755	FARMER MAC		05/10/2019	25,000,000.00	26,647,500.00	25,000,000.00	2.400	2.400	1,124	03/01/2024
31422BFK1	11756	FARMER MAC		05/10/2019	25,000,000.00	26,730,500.00	25,000,000.00	2.400	2.400	1,185	05/01/2024
31422BJB7	11793	FARMER MAC		07/22/2019	25,000,000.00	26,261,000.00	25,000,000.00	1.970	1.970	1,065	01/02/2024
31422BPC8	11911	FARMER MAC		11/20/2019	20,000,000.00	20,833,200.00	20,000,000.00	1.720	1.720	1,022	11/20/2023
31422BQK9	11955	FARMER MAC		12/20/2019	25,000,000.00	26,237,500.00	24,988,750.00	1.690	1.700	1,327	09/20/2024
31422BQW3	11956	FARMER MAC		12/20/2019	40,000,000.00	41,631,200.00	40,000,000.00	1.740	1.740	973	10/02/2023
31422BYV6	12115	FARMER MAC		04/27/2020	35,000,000.00	35,316,400.00	34,979,000.00	0.550	0.569	906	07/27/2023
3133EKQU3	11778	Federal Farm Credit Bank		06/21/2019	30,000,000.00	31,683,000.00	29,984,700.00	1.950	1.961	1,228	06/13/2024
3133EKTv8	11784	Federal Farm Credit Bank		07/02/2019	12,000,000.00	12,660,240.00	11,998,320.00	1.900	1.903	1,246	07/01/2024
3133EKUA2	11785	Federal Farm Credit Bank		07/02/2019	15,000,000.00	15,510,150.00	14,989,800.00	1.850	1.870	730	02/01/2023
3133EKYJ9	11807	Federal Farm Credit Bank		08/08/2019	15,000,000.00	15,392,850.00	15,111,300.00	1.850	1.595	550	08/05/2022
3133EKZK5	11812	Federal Farm Credit Bank		08/14/2019	20,000,000.00	20,712,000.00	19,992,000.00	1.600	1.610	924	08/14/2023
3133EKA63	11814	Federal Farm Credit Bank		08/16/2019	10,000,000.00	10,459,200.00	9,982,800.00	1.600	1.636	1,292	08/16/2024
3133EKM45	11845	Federal Farm Credit Bank		09/09/2019	10,000,000.00	10,220,100.00	9,989,100.00	1.500	1.537	582	09/06/2022
3133EKP67	11855	Federal Farm Credit Bank		09/17/2019	10,000,000.00	10,097,200.00	9,981,600.00	1.625	1.719	228	09/17/2021
3133ELDK7	11945	Federal Farm Credit Bank		12/16/2019	35,000,000.00	35,714,000.00	34,998,145.70	1.630	1.632	499	06/15/2022
3133ELDK7	11946	Federal Farm Credit Bank		12/16/2019	10,000,000.00	10,204,000.00	9,999,470.20	1.630	1.632	499	06/15/2022
3133ELDK7	11947	Federal Farm Credit Bank		12/16/2019	30,000,000.00	30,612,000.00	29,998,410.60	1.630	1.632	499	06/15/2022

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Agency Bullets (Aaa/AA+)											
3133ELKN3	12001	Federal Farm Credit Bank		01/31/2020	25,000,000.00	25,364,000.00	25,065,000.00	1.550	1.417	361	01/28/2022
3133ELHR8	12002	Federal Farm Credit Bank		01/31/2020	25,000,000.00	25,364,000.00	25,084,750.00	1.600	1.425	354	01/21/2022
3133ELZM9	12140	Federal Farm Credit Bank		05/15/2020	25,000,000.00	25,035,500.00	24,953,225.00	0.500	0.538	1,563	05/14/2025
3130A7CV5	10911	Federal Home Loan Bank		02/18/2016	5,000,000.00	5,002,950.00	4,979,800.00	1.375	1.459	17	02/18/2021
3130A7CV5	10912	Federal Home Loan Bank		02/18/2016	15,000,000.00	15,008,850.00	14,939,400.00	1.375	1.459	17	02/18/2021
3130AABG2	11148	Federal Home Loan Bank		11/30/2016	5,000,000.00	5,073,650.00	4,980,100.00	1.875	1.959	301	11/29/2021
3130AABG2	11149	Federal Home Loan Bank		11/30/2016	5,000,000.00	5,073,650.00	4,980,100.00	1.875	1.959	301	11/29/2021
3130AABG2	11150	Federal Home Loan Bank		11/30/2016	5,000,000.00	5,073,650.00	4,980,100.00	1.875	1.959	301	11/29/2021
3130AF5B9	11576	Federal Home Loan Bank		10/12/2018	10,000,000.00	10,203,000.00	9,993,500.00	3.000	3.023	253	10/12/2021
3130AF5B9	11577	Federal Home Loan Bank		10/12/2018	10,000,000.00	10,203,000.00	9,993,500.00	3.000	3.023	253	10/12/2021
3130AGLD5	11786	Federal Home Loan Bank		07/03/2019	15,000,000.00	15,115,050.00	15,014,070.00	1.875	1.827	156	07/07/2021
3130AGWK7	11815	Federal Home Loan Bank		08/16/2019	12,000,000.00	12,531,960.00	11,971,800.00	1.500	2.136	1,291	08/15/2024
3130AGWK7	11816	Federal Home Loan Bank		08/16/2019	20,000,000.00	20,886,600.00	19,953,000.00	1.500	1.549	1,291	08/15/2024
3130AGWK7	11817	Federal Home Loan Bank		08/16/2019	20,000,000.00	20,886,600.00	19,953,000.00	1.500	1.549	1,291	08/15/2024
313380GJ0	11888	Federal Home Loan Bank		10/30/2019	25,000,000.00	25,758,000.00	25,216,250.00	2.000	1.688	585	09/09/2022
313380GJ0	11889	Federal Home Loan Bank		10/30/2019	14,710,000.00	15,156,007.20	14,838,271.20	2.000	1.686	585	09/09/2022
3130AHJY0	11900	Federal Home Loan Bank		11/08/2019	20,000,000.00	20,243,200.00	19,965,800.00	1.625	1.711	291	11/19/2021
3130AHJY0	11901	Federal Home Loan Bank		11/08/2019	30,000,000.00	30,364,800.00	29,948,700.00	1.625	1.711	291	11/19/2021
3130AHSR5	11958	Federal Home Loan Bank		12/20/2019	15,000,000.00	15,202,500.00	14,983,800.00	1.625	1.680	322	12/20/2021
3130AHSR5	11959	Federal Home Loan Bank		12/20/2019	15,000,000.00	15,202,500.00	14,983,800.00	1.625	1.680	322	12/20/2021
3130AHSR5	11960	Federal Home Loan Bank		12/20/2019	9,000,000.00	9,121,500.00	8,990,280.00	1.625	1.680	322	12/20/2021
3130AJ7E3	12020	Federal Home Loan Bank		02/21/2020	14,000,000.00	14,366,100.00	13,974,240.00	1.375	1.438	746	02/17/2023
3130AJ7E3	12023	Federal Home Loan Bank		02/21/2020	15,000,000.00	15,392,250.00	14,972,400.00	1.375	1.438	746	02/17/2023
3130AK5E2	12220	Federal Home Loan Bank		09/11/2020	2,000,000.00	1,995,680.00	1,994,000.00	0.375	0.436	1,676	09/04/2025
3130AKDH6	12270	Federal Home Loan Bank		10/22/2020	8,000,000.00	8,001,040.00	7,989,440.00	0.125	0.191	627	10/21/2022
3137EAEC9	11066	Federal Home Loan Mtg Corp		08/12/2016	10,000,000.00	10,055,000.00	9,949,200.00	1.125	1.230	192	08/12/2021
3137EAEL9	11446	Federal Home Loan Mtg Corp		02/16/2018	10,000,000.00	10,009,600.00	9,973,600.00	2.375	2.467	15	02/16/2021
3137EAEN5	11520	Federal Home Loan Mtg Corp		06/11/2018	15,000,000.00	15,925,950.00	14,918,400.00	2.750	2.867	868	06/19/2023
3137EAEP0	12014	Federal Home Loan Mtg Corp		02/14/2020	15,000,000.00	15,689,100.00	14,988,450.00	1.500	1.516	1,472	02/12/2025
3137EAEP0	12015	Federal Home Loan Mtg Corp		02/14/2020	10,000,000.00	10,459,400.00	9,992,300.00	1.500	1.516	1,472	02/12/2025
3137EAER6	12129	Federal Home Loan Mtg Corp		05/07/2020	10,000,000.00	10,050,400.00	9,995,800.00	0.375	0.389	823	05/05/2023
3137EAER6	12130	Federal Home Loan Mtg Corp		05/07/2020	20,000,000.00	20,100,800.00	19,991,600.00	0.375	0.389	823	05/05/2023
3137EAER6	12131	Federal Home Loan Mtg Corp		05/07/2020	20,000,000.00	20,100,800.00	19,991,600.00	0.375	0.389	823	05/05/2023
31422BG53	12179	Federal Home Loan Mtg Corp		06/29/2020	15,000,000.00	15,056,550.00	14,988,000.00	0.350	0.375	970	09/29/2023
3137EAET2	12193	Federal Home Loan Mtg Corp		07/23/2020	5,000,000.00	5,001,300.00	4,988,700.00	0.125	0.238	539	07/25/2022
3137EAET2	12194	Federal Home Loan Mtg Corp		07/23/2020	10,000,000.00	10,002,600.00	9,977,400.00	0.125	0.238	539	07/25/2022

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Agency Bullets (Aaa/AA+)											
3137EAEU9	12195	Federal Home Loan Mtg Corp		07/23/2020	10,000,000.00	9,975,800.00	9,950,200.00	0.625	0.727	1,631	07/21/2025
3137EAEV7	12204	Federal Home Loan Mtg Corp		08/21/2020	10,000,000.00	10,022,500.00	9,989,800.00	0.250	0.284	934	08/24/2023
3137EAEV7	12205	Federal Home Loan Mtg Corp		08/21/2020	10,000,000.00	10,022,500.00	9,989,800.00	0.250	0.284	934	08/24/2023
3137EAEZ8	12291	Federal Home Loan Mtg Corp		11/05/2020	10,000,000.00	10,009,700.00	9,991,000.00	0.250	0.280	1,008	11/06/2023
3137EAEZ8	12293	Federal Home Loan Mtg Corp		11/05/2020	10,000,000.00	10,009,700.00	9,991,000.00	0.250	0.280	1,008	11/06/2023
3137EAF2	12331	Federal Home Loan Mtg Corp		12/04/2020	15,000,000.00	15,018,150.00	14,985,150.00	0.250	0.283	1,036	12/04/2023
3137EAF2	12332	Federal Home Loan Mtg Corp		12/04/2020	10,000,000.00	10,012,100.00	9,990,100.00	0.250	0.283	1,036	12/04/2023
3135G0S38	11184	Federal National Mtg Assn		01/09/2017	15,000,000.00	15,264,600.00	14,973,150.00	2.000	2.038	338	01/05/2022
3135G0T78	11331	Federal National Mtg Assn		10/06/2017	15,000,000.00	15,469,950.00	14,990,100.00	2.000	2.014	611	10/05/2022
3135G0T78	11332	Federal National Mtg Assn		10/06/2017	10,000,000.00	10,313,300.00	9,993,400.00	2.000	2.014	611	10/05/2022
3135G0U43	11568	Federal National Mtg Assn		09/14/2018	20,000,000.00	21,415,400.00	19,918,000.00	2.875	2.964	953	09/12/2023
3135G0U92	11644	Federal National Mtg Assn		01/11/2019	10,000,000.00	10,238,700.00	9,992,800.00	2.625	2.650	344	01/11/2022
3135G0U92	11645	Federal National Mtg Assn		01/11/2019	10,000,000.00	10,238,700.00	9,992,800.00	2.625	2.650	344	01/11/2022
3135G0V34	11657	Federal National Mtg Assn		02/08/2019	20,000,000.00	21,364,200.00	19,925,600.00	2.500	2.580	1,099	02/05/2024
3135G0V34	11658	Federal National Mtg Assn		02/08/2019	20,000,000.00	21,364,200.00	19,925,600.00	2.500	2.580	1,099	02/05/2024
3135G0V59	11718	Federal National Mtg Assn		04/12/2019	15,000,000.00	15,397,950.00	14,950,800.00	2.250	2.364	435	04/12/2022
3135G0V75	11788	Federal National Mtg Assn		07/08/2019	20,000,000.00	21,022,200.00	19,924,200.00	1.750	1.830	1,247	07/02/2024
3135G0W33	11840	Federal National Mtg Assn		09/06/2019	20,000,000.00	20,410,400.00	19,930,400.00	1.375	1.494	582	09/06/2022
3135G0W33	11841	Federal National Mtg Assn		09/06/2019	20,000,000.00	20,410,400.00	19,930,400.00	1.375	1.494	582	09/06/2022
3135G0W33	11842	Federal National Mtg Assn		09/06/2019	20,000,000.00	20,410,400.00	19,930,400.00	1.375	1.494	582	09/06/2022
3135G0W66	11872	Federal National Mtg Assn		10/18/2019	20,000,000.00	20,984,600.00	19,965,800.00	1.625	1.661	1,352	10/15/2024
3135G0W66	11875	Federal National Mtg Assn		10/18/2019	25,000,000.00	26,230,750.00	24,957,250.00	1.625	1.661	1,352	10/15/2024
3135G0W66	11876	Federal National Mtg Assn		10/18/2019	25,000,000.00	26,230,750.00	24,957,250.00	1.625	1.661	1,352	10/15/2024
3135G0W66	11918	Federal National Mtg Assn		11/22/2019	25,000,000.00	26,230,750.00	24,939,515.00	1.625	1.677	1,352	10/15/2024
3135G0X24	11969	Federal National Mtg Assn		01/10/2020	20,000,000.00	20,999,800.00	19,936,200.00	1.625	1.692	1,436	01/07/2025
3135G0X24	11970	Federal National Mtg Assn		01/10/2020	20,000,000.00	20,999,800.00	19,936,200.00	1.625	1.692	1,436	01/07/2025
3135G04Q3	12145	Federal National Mtg Assn		05/22/2020	20,000,000.00	20,043,600.00	19,939,800.00	0.250	0.351	840	05/22/2023
3135G04Q3	12146	Federal National Mtg Assn		05/22/2020	15,000,000.00	15,032,700.00	14,954,850.00	0.250	0.351	840	05/22/2023
3135G04Q3	12147	Federal National Mtg Assn		05/22/2020	15,000,000.00	15,032,700.00	14,954,850.00	0.250	0.351	840	05/22/2023
3135G04Z3	12171	Federal National Mtg Assn		06/19/2020	20,000,000.00	20,065,600.00	19,958,600.00	0.500	0.542	1,597	06/17/2025
3135G04Z3	12172	Federal National Mtg Assn		06/19/2020	15,000,000.00	15,049,200.00	14,968,950.00	0.500	0.542	1,597	06/17/2025
3135G05G4	12183	Federal National Mtg Assn		07/10/2020	10,000,000.00	10,022,100.00	9,978,500.00	0.250	0.322	889	07/10/2023
3135G06G3	12299	Federal National Mtg Assn		11/12/2020	18,000,000.00	18,031,320.00	17,935,560.00	0.500	0.573	1,740	11/07/2025
3135G06H1	12321	Federal National Mtg Assn		11/25/2020	15,000,000.00	15,028,950.00	14,982,900.00	0.250	0.288	1,029	11/27/2023
Subtotal and Average			1,658,012,797.70		1,659,710,000.00	1,708,059,347.20	1,658,012,797.70		1.639	837	

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Federal Agency Disc. -Amortizing											
313385HL3	12305	Federal Home Loan Bk Disc Note		11/17/2020	50,000,000.00	49,983,500.00	49,975,222.22	0.080	0.082	147	06/28/2021
313385CG9	12320	Federal Home Loan Bk Disc Note		11/25/2020	50,000,000.00	49,998,500.00	49,988,877.78	0.088	0.090	23	02/24/2021
313385GY6	12346	Federal Home Loan Bk Disc Note		12/09/2020	50,000,000.00	49,985,000.00	49,981,625.00		0.072	135	06/16/2021
313385BK1	12350	Federal Home Loan Bk Disc Note		12/11/2020	50,000,000.00	50,000,000.00	49,994,750.00	0.070	0.072	2	02/03/2021
313385BK1	12360	Federal Home Loan Bk Disc Note		12/24/2020	50,000,000.00	50,000,000.00	49,996,013.89	0.070	0.072	2	02/03/2021
459053DL5	12347	International Bank Recon D DN		12/11/2020	50,000,000.00	49,996,500.00	49,988,555.56	0.080	0.082	51	03/24/2021
Subtotal and Average			459,910,254.13		300,000,000.00	299,963,500.00	299,925,044.45		0.078	60	
Treasury Notes and Bonds											
912828F21	11712	U.S. Treasury		04/11/2019	50,000,000.00	50,668,000.00	49,771,484.39	2.125	2.316	241	09/30/2021
912828D1	11744	U.S. Treasury		04/29/2019	50,000,000.00	51,570,500.00	48,093,750.00	1.375	2.304	941	08/31/2023
912828S92	11791	U.S. Treasury		07/16/2019	50,000,000.00	51,363,500.00	48,804,687.50	1.250	1.867	910	07/31/2023
912828S8	11808	U.S. Treasury		08/13/2019	50,000,000.00	51,185,500.00	50,044,921.90	1.625	1.595	576	08/31/2022
912828D1	11832	U.S. Treasury		08/28/2019	50,000,000.00	51,570,500.00	49,966,796.89	1.375	1.392	941	08/31/2023
912828S92	11843	U.S. Treasury		09/06/2019	50,000,000.00	51,363,500.00	49,636,718.75	1.250	1.442	910	07/31/2023
912828YC8	11844	U.S. Treasury		09/06/2019	50,000,000.00	50,402,500.00	49,974,609.39	1.500	1.526	211	08/31/2021
912828VB3	11862	U.S. Treasury		09/26/2019	50,000,000.00	51,828,000.00	50,253,906.25	1.750	1.605	833	05/15/2023
912828Y87	11919	U.S. Treasury		11/22/2019	50,000,000.00	52,615,500.00	50,298,828.15	1.750	1.617	1,276	07/31/2024
912828Y87	11936	U.S. Treasury		12/10/2019	50,000,000.00	52,615,500.00	50,134,765.65	1.750	1.689	1,276	07/31/2024
912828S27	11951	U.S. Treasury		12/16/2019	50,000,000.00	50,207,000.00	49,587,890.64	1.125	1.669	149	06/30/2021
9128287A2	11997	U.S. Treasury		01/31/2020	50,000,000.00	50,312,500.00	50,121,093.75	1.625	1.451	149	06/30/2021
912828G53	11998	U.S. Treasury		01/31/2020	50,000,000.00	50,734,500.00	50,437,500.00	1.875	1.389	302	11/30/2021
912828YJ3	11999	U.S. Treasury		01/31/2020	50,000,000.00	50,461,000.00	50,070,312.50	1.500	1.414	241	09/30/2021
9128282F6	12000	U.S. Treasury		01/31/2020	50,000,000.00	50,295,000.00	49,769,531.25	1.125	1.421	211	08/31/2021
912828ZX1	12371	U.S. Treasury		01/28/2021	50,000,000.00	50,011,500.00	50,022,412.38	0.125	0.100	514	06/30/2022
Subtotal and Average			753,421,301.83		800,000,000.00	817,204,500.00	796,989,209.39		1.547	604	
Treasury Discounts -Amortizing											
912796XE4	12282	Treasury Bill		10/29/2020	50,000,000.00	49,998,500.00	49,983,802.78	0.098	0.101	24	02/25/2021
912796Q1	12295	Treasury Bill		11/05/2020	50,000,000.00	49,993,500.00	49,979,816.67	0.087	0.089	80	04/22/2021
9127964M8	12298	Treasury Bill		11/10/2020	50,000,000.00	49,997,500.00	49,984,454.86	0.093	0.095	38	03/11/2021
9127964Z9	12307	Treasury Bill		11/17/2020	50,000,000.00	49,992,500.00	49,980,756.94	0.085	0.087	87	04/29/2021
9127964L0	12310	Treasury Bill		11/20/2020	50,000,000.00	49,975,500.00	49,964,188.89	0.088	0.091	220	09/09/2021
9127964L0	12316	Treasury Bill		11/24/2020	50,000,000.00	49,975,500.00	49,962,871.53	0.093	0.095	220	09/09/2021
912796A33	12344	Treasury Bill		12/09/2020	50,000,000.00	49,988,500.00	49,981,104.86	0.081	0.083	115	05/27/2021

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Treasury Discounts -Amortizing											
912796A41	12345	Treasury Bill		12/09/2020	50,000,000.00	49,986,500.00	49,979,882.00	0.082	0.085	122	06/03/2021
912796B32	12362	Treasury Bill		12/29/2020	50,000,000.00	49,984,500.00	49,976,400.00	0.096	0.099	143	06/24/2021
912796A33	12363	Treasury Bill		12/29/2020	50,000,000.00	49,988,500.00	49,980,340.28	0.095	0.098	115	05/27/2021
912796C49	12370	Treasury Bill		01/28/2021	50,000,000.00	49,983,000.00	49,983,302.08	0.069	0.071	171	07/22/2021
912796B40	12375	Treasury Bill		01/29/2021	50,000,000.00	49,983,500.00	49,986,187.50	0.065	0.067	150	07/01/2021
912796C56	12376	Treasury Bill		01/29/2021	50,000,000.00	49,979,500.00	49,983,031.25	0.068	0.000	178	07/29/2021
Subtotal and Average			515,897,517.67		650,000,000.00	649,827,000.00	649,726,139.64	0.081	128		
Agency Callables (Aaa/AA+)											
31422BRL6	11965	FARMER MAC		12/27/2019	25,000,000.00	25,303,000.00	25,000,000.00	1.900	1.900	1,425	12/27/2024
3133ELMD3	12008	Federal Farm Credit Bank		02/10/2020	10,000,000.00	10,003,800.00	10,000,000.00	1.600	1.600	739	02/10/2023
3130AKN85	12367	Federal Home Loan Bank		01/20/2021	20,000,000.00	19,978,600.00	19,974,000.00	0.550	0.576	1,814	01/20/2026
3130AKVY9	12373	Federal Home Loan Bank		01/29/2021	10,000,000.00	9,987,800.00	10,000,000.00	0.520	0.520	1,823	01/29/2026
3130AKVN3	12374	Federal Home Loan Bank		01/29/2021	5,000,000.00	4,994,300.00	5,000,000.00	0.520	0.520	1,823	01/29/2026
3130AKUS3	12377	Federal Home Loan Bank		01/29/2021	15,450,000.00	15,422,344.50	15,442,489.58	0.500	0.510	1,822	01/28/2026
3130AKMD5	12378	Federal Home Loan Bank		01/29/2021	4,980,000.00	4,969,093.80	4,976,532.26	0.500	0.515	1,820	01/26/2026
3134GTKG7	11750	Federal Home Loan Mtg Corp		05/03/2019	20,000,000.00	20,111,000.00	20,000,000.00	2.600	2.600	1,187	05/03/2024
31422BUH1	12007	Federal Home Loan Mtg Corp		02/10/2020	10,000,000.00	10,003,900.00	10,000,000.00	1.680	0.487	739	02/10/2023
31422BUS7	12016	Federal Home Loan Mtg Corp		02/18/2020	25,000,000.00	25,269,500.00	25,000,000.00	1.680	1.680	1,478	02/18/2025
3134GVWR5	12144	Federal Home Loan Mtg Corp		05/22/2020	25,000,000.00	24,945,000.00	25,000,000.00	0.625	0.625	1,571	05/22/2025
3134GVW95	12177	Federal Home Loan Mtg Corp		06/24/2020	10,840,000.00	10,840,758.80	10,840,000.00	0.550	0.550	1,239	06/24/2024
3134GVX29	12178	Federal Home Loan Mtg Corp		06/24/2020	25,000,000.00	25,001,750.00	25,000,000.00	0.640	0.640	1,239	06/24/2024
3134GVY44	12180	Federal Home Loan Mtg Corp		06/29/2020	17,200,000.00	17,206,192.00	17,200,000.00	0.450	0.450	1,061	12/29/2023
3134GWND4	12199	Federal Home Loan Mtg Corp		08/12/2020	15,000,000.00	14,882,700.00	15,000,000.00	0.600	0.600	1,653	08/12/2025
3134GWN44	12219	Federal Home Loan Mtg Corp		09/11/2020	15,000,000.00	14,993,100.00	15,000,000.00	0.450	0.450	1,318	09/11/2024
3134GWUY0	12246	Federal Home Loan Mtg Corp		09/30/2020	15,000,000.00	15,000,900.00	15,000,000.00	0.400	0.400	1,428	12/30/2024
3134GWVJ2	12247	Federal Home Loan Mtg Corp		09/30/2020	15,000,000.00	14,987,850.00	15,000,000.00	0.400	0.400	1,337	09/30/2024
3134GWXX0	12248	Federal Home Loan Mtg Corp		09/30/2020	15,000,000.00	14,979,450.00	15,000,000.00	0.400	0.400	1,337	09/30/2024
3134GWVJ2	12249	Federal Home Loan Mtg Corp		09/30/2020	10,000,000.00	9,991,900.00	10,000,000.00	0.400	0.400	1,337	09/30/2024
3134GWXG69	12250	Federal Home Loan Mtg Corp		09/30/2020	10,000,000.00	9,991,400.00	10,000,000.00	0.430	0.430	1,428	12/30/2024
3134GWUY0	12251	Federal Home Loan Mtg Corp		09/30/2020	10,000,000.00	10,000,600.00	10,000,000.00	0.400	0.400	1,428	12/30/2024
3134GXBD5	12300	Federal Home Loan Mtg Corp		11/12/2020	15,000,000.00	15,008,700.00	15,000,000.00	0.360	0.360	1,199	05/15/2024
3134GXDZ4	12318	Federal Home Loan Mtg Corp		11/25/2020	15,000,000.00	14,999,400.00	15,000,000.00	0.450	0.450	1,393	11/25/2024
3134GXBM5	12319	Federal Home Loan Mtg Corp		11/25/2020	15,000,000.00	15,028,200.00	15,003,250.00	0.600	0.600	1,745	11/12/2025
3134GXHD9	12359	Federal Home Loan Mtg Corp		12/23/2020	10,000,000.00	9,978,900.00	10,000,000.00	0.700	0.700	1,786	12/23/2025

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Agency Callables (Aaa/AA+)											
3136G4WJ8	12165	Federal National Mtg Assn		06/11/2020	10,000,000.00	10,017,300.00	10,000,000.00	0.800	0.800	1,591	06/11/2025
3136G4XV0	12181	Federal National Mtg Assn		06/30/2020	15,000,000.00	15,025,350.00	15,000,000.00	0.730	0.730	1,610	06/30/2025
3136G4ZJ5	12184	Federal National Mtg Assn		07/21/2020	10,000,000.00	9,935,900.00	10,000,000.00	0.625	0.625	1,631	07/21/2025
3136G4A86	12185	Federal National Mtg Assn		07/21/2020	8,000,000.00	7,927,360.00	7,984,000.00	0.500	0.541	1,631	07/21/2025
3135G05X7	12209	Federal National Mtg Assn		08/27/2020	15,000,000.00	14,955,600.00	14,929,800.00	0.375	0.470	1,666	08/25/2025
3135G05X7	12210	Federal National Mtg Assn		08/27/2020	10,000,000.00	9,970,400.00	9,953,200.00	0.375	0.470	1,666	08/25/2025
3136G42F9	12211	Federal National Mtg Assn		08/27/2020	10,000,000.00	9,983,800.00	10,000,000.00	0.625	0.625	1,668	08/27/2025
3136G4U43	12212	Federal National Mtg Assn		08/28/2020	4,000,000.00	3,999,040.00	4,000,000.00	0.450	0.450	1,212	05/28/2024
3136G44U4	12265	Federal National Mtg Assn		10/20/2020	10,000,000.00	9,926,900.00	10,000,000.00	0.500	0.500	1,722	10/20/2025
3135G06C2	12278	Federal National Mtg Assn		10/29/2020	15,000,000.00	14,998,650.00	15,000,000.00	0.600	0.600	1,731	10/29/2025
3135GA2Z3	12304	Federal National Mtg Assn		11/17/2020	10,000,000.00	10,026,800.00	9,995,000.00	0.560	0.570	1,750	11/17/2025
3135GA3G4	12317	Federal National Mtg Assn		11/25/2020	10,000,000.00	10,006,100.00	10,000,000.00	0.400	0.400	1,393	11/25/2024
3135GAA76	12343	Federal National Mtg Assn		12/09/2020	20,000,000.00	19,973,000.00	20,000,000.00	0.540	0.540	1,589	06/09/2025
3135GABT7	12355	Federal National Mtg Assn		12/16/2020	20,000,000.00	19,973,000.00	20,000,000.00	0.500	0.500	1,596	06/16/2025
3135GA7L9	12356	Federal National Mtg Assn		12/16/2020	20,000,000.00	19,974,200.00	20,000,000.00	0.500	0.500	1,596	06/16/2025
Subtotal and Average			555,413,671.47		570,470,000.00	570,573,539.10	570,298,271.84		0.728	1,486	
Asset Backed Securities											
02008QAB6	11770	Ally Auto Receivables Trust		06/11/2019	82,873.64	82,963.15	82,865.25	2.340	2.300	529	07/15/2022
02007RAC3	11856	Ally Auto Receivables Trust		09/17/2019	9,500,000.00	9,660,360.00	9,499,732.10	1.300	1.283	1,199	05/15/2024
02007TAC9	11942	Ally Auto Receivables Trust		12/11/2019	3,250,000.00	3,298,620.00	3,249,440.35	1.840	1.033	1,230	06/15/2024
05588CAC6	11858	BMW Vehicle Owner Trust		09/18/2019	4,500,000.00	4,564,395.00	4,499,395.20	1.920	1.934	1,088	01/25/2024
05588CAB8	11860	BMW Vehicle Owner Trust		09/18/2019	413,253.78	414,022.43	413,245.06	2.050	2.060	478	05/25/2022
14315XAB4	11976	CarMax Auto Owner Trust		01/22/2020	2,186,938.72	2,201,022.61	2,186,793.07	1.300	1.308	805	04/17/2023
14315XAC2	11977	CarMax Auto Owner Trust		01/22/2020	3,000,000.00	2,999,411.40	2,999,411.40	1.300	1.291	1,414	12/16/2024
14042WAC4	11760	Capital One Prime Auto Rec		05/30/2019	2,920,970.58	2,966,712.98	2,920,378.79	2.510	2.533	1,017	11/15/2023
14043TAF3	11859	Capital One Prime Auto Rec		09/18/2019	5,000,000.00	5,091,050.00	4,999,719.00	1.920	1.930	1,199	05/15/2024
14043MAC5	12019	Capital One Prime Auto Rec		02/19/2020	6,000,000.00	6,122,100.00	5,998,724.40	1.600	1.615	1,383	11/15/2024
14043MAC5	12043	Capital One Prime Auto Rec		03/18/2020	7,000,000.00	7,142,450.00	6,882,968.75	1.600	2.360	1,383	11/15/2024
254683CM5	11892	Dexia Credit Card		10/31/2019	9,650,000.00	9,924,832.00	9,647,927.18	1.890	1.907	1,352	10/15/2024
31680YAB3	11752	Fifth Third Auto Trust		05/08/2019	12,049.03	12,048.37	12,048.37	2.660	2.679	469	05/16/2022
34532DAD9	11777	Ford Credit Auto Owner Trust		06/21/2019	9,401,349.81	9,535,413.06	9,399,505.27	2.235	2.255	986	10/15/2023
34528DAE3	11800	Ford Credit Auto Owner Trust		07/30/2019	3,200,000.00	3,254,880.00	3,199,557.12	2.270	2.289	652	11/15/2022
34528DAD5	11801	Ford Credit Auto Owner Trust		07/30/2019	10,000,000.00	10,084,600.00	9,998,254.00	2.220	2.188	621	10/15/2022
34531KAD4	11915	Ford Credit Auto Owner Trust		11/22/2019	10,000,000.00	10,182,600.00	9,999,426.00	1.300	1.283	1,138	03/15/2024

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Asset Backed Securities											
34531MAB4	11986	Ford Credit Auto Owner Trust		01/28/2020	3,018,802.67	3,031,209.95	3,018,632.11	2.080	2.094	529	07/15/2022
34531MAD0	11987	Ford Credit Auto Owner Trust		01/28/2020	4,000,000.00	4,050,080.00	3,999,805.60	2.090	2.102	772	03/15/2023
36257FAD2	11726	GM Financial		04/17/2019	3,239,398.02	3,288,993.20	3,239,134.33	2.650	2.668	1,110	02/16/2024
36257AAD3	11751	GM Financial		05/08/2019	1,005,315.88	1,010,453.04	1,005,281.20	2.670	2.687	413	03/21/2022
36257PAD0	11797	GM Financial		07/24/2019	3,000,000.00	3,045,990.00	2,999,634.60	1.300	1.309	1,170	04/16/2024
38013TAD3	11810	GM Financial		08/14/2019	5,500,000.00	5,535,365.00	5,499,393.35	2.030	1.973	504	06/20/2022
38013TAE1	11811	GM Financial		08/14/2019	2,500,000.00	2,534,725.00	2,499,765.00	2.030	1.988	899	07/20/2023
36258NAC6	11972	GM Financial		01/15/2020	2,500,000.00	2,546,475.00	2,499,411.25	1.840	1.858	1,323	09/16/2024
36258NAB8	11973	GM Financial		01/15/2020	555,495.11	557,300.47	555,471.28	1.830	1.840	715	01/17/2023
36259KAD9	12018	GM Financial		02/19/2020	2,750,000.00	2,785,145.00	2,749,752.50	1.670	1.622	687	12/20/2022
44932NAD2	11706	Hyundai Auto Rec Trust		04/10/2019	2,659,439.46	2,698,958.73	2,659,089.48	2.660	2.630	864	06/15/2023
43815NAC8	11829	Hyundai Auto Rec Trust		08/27/2019	4,750,000.00	4,823,197.50	4,749,960.58	1.780	1.787	925	08/15/2023
44891JAC2	11894	Hyundai Auto Rec Trust		11/06/2019	3,500,000.00	3,560,585.00	3,499,838.65	1.940	1.950	1,109	02/15/2024
44891JAB4	11895	Hyundai Auto Rec Trust		11/06/2019	732,379.30	735,001.22	732,333.97	1.930	1.942	529	07/15/2022
43813VAC2	11923	Hyundai Auto Rec Trust		11/26/2019	13,500,000.00	13,768,380.00	13,497,594.30	1.830	1.846	1,081	01/18/2024
43813VAB4	11924	Hyundai Auto Rec Trust		11/26/2019	6,035,024.99	6,063,027.51	6,034,652.03	1.860	1.872	502	06/18/2022
43813RAC1	12024	Hyundai Auto Rec Trust		02/26/2020	10,000,000.00	10,201,400.00	9,998,040.00	1.610	1.625	1,176	04/22/2024
41284UAD6	11988	Harley Davidson Motorcycle		01/29/2020	2,775,000.00	2,821,897.50	2,774,394.77	1.870	1.887	1,352	10/15/2024
477870AC3	11798	John Deere Owner Trust		07/24/2019	1,250,000.00	1,273,175.00	1,249,734.63	2.210	2.107	1,047	12/15/2023
58769TAD7	11861	Mercedes Benz Auto Rec		09/25/2019	8,250,000.00	8,377,627.50	8,248,863.98	1.940	1.954	1,138	03/15/2024
65479NAB0	11984	Nissan Auto Lease Trust		01/27/2020	5,396,406.80	5,417,722.61	5,396,106.22	1.800	1.811	469	05/16/2022
65479NAD6	11985	Nissan Auto Lease Trust		01/27/2020	4,750,000.00	4,814,837.50	4,749,662.75	1.800	1.813	469	05/16/2022
89233MAD5	11905	Toyota Auto Rec Owners Trust		11/13/2019	7,000,000.00	7,136,290.00	6,999,494.60	1.920	1.931	1,079	01/16/2024
98162GAD4	11820	World Omni Automobile Lease		08/21/2019	4,800,000.00	4,877,520.00	4,799,216.16	2.030	2.049	652	11/15/2022
98162RAB4	11906	World Omni Automobile Lease		11/14/2019	2,886,230.34	2,898,814.30	2,886,134.23	1.960	1.970	744	02/15/2023
98162HAC4	12010	World Omni Automobile Lease		02/12/2020	5,250,000.00	5,363,085.00	5,249,510.18	1.700	1.712	713	01/15/2023
Subtotal and Average			199,916,184.20		197,720,928.13	200,754,737.03	197,580,299.06	1.868	1.868	983	
Municipal Bonds											
072024WP3	12038	Bay Area Ca Tran		03/17/2020	10,000,000.00	10,542,200.00	10,264,600.00	2.254	1.570	1,155	04/01/2024
072024WP3	12039	Bay Area Ca Tran		03/17/2020	10,000,000.00	10,542,200.00	10,264,600.00	2.254	1.575	1,155	04/01/2024
13063DRJ9	11878	St. of California		10/24/2019	5,000,000.00	5,269,650.00	5,100,050.00	2.400	1.870	972	10/01/2023
13032UUZ9	11920	St. of California		11/25/2019	2,000,000.00	2,042,380.00	2,000,000.00	1.893	1.880	485	06/01/2022
13032UUY2	11921	St. of California		11/25/2019	4,000,000.00	4,021,920.00	4,000,000.00	1.896	1.875	120	06/01/2021
91412HGE7	12262	UNIVHGR		10/19/2020	9,580,000.00	9,766,331.00	9,661,525.80	0.883	0.721	1,564	05/15/2025

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Subtotal and Average			41,290,775.80		40,580,000.00	42,184,681.00	41,290,775.80		1.454	1,095
Total and Average			7,422,064,872.67		7,426,469,928.13	7,515,399,587.81	7,423,587,113.56		0.938	531

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Transaction Activity Report
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Sorted by Fund - Transaction Date
All Funds

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
12256	100	SYS12256	BSB 1.5% MAT	Interest	01/01/2021	Beneficial State Ban			12,916.67	12,916.67
12159	100	89114NLL7	TD 0.25% MAT	Redemption	01/04/2021	Toronto Dominion		50,000,000.00		50,000,000.00
12225	100	06367BUX5	BMO 0.17% MAT	Redemption	01/04/2021	Bank of Montreal		50,000,000.00		50,000,000.00
11784	100	3133EKTU8	FEDERAL FARM CR	Interest	01/04/2021	Federal Farm Credit			114,000.00	114,000.00
11788	100	3135G0V75	FNMA 1.75% MAT	Interest	01/04/2021	Federal National Mtg			175,000.00	175,000.00
11793	100	31422BJB7	FAMCA 1.97% MAT	Interest	01/04/2021	FARMER MAC			246,250.00	246,250.00
12004	100	SYS12004	BANKSF 2.0% MAT	Interest	01/04/2021	Bank of San Francisc			6,587.50	6,587.50
12159	100	89114NLL7	TD 0.25% MAT	Interest	01/04/2021	Toronto Dominion			74,305.55	74,305.55
12225	100	06367BUX5	BMO 0.17% MAT	Interest	01/04/2021	Bank of Montreal			26,208.33	26,208.33
11184	100	3135G0S38	FEDERAL NATL MTG	Interest	01/05/2021	Federal National Mtg			150,000.00	150,000.00
12156	100	24422EVG1	DEERE JOHN CAP	Interest	01/05/2021	John Deere			22,565.28	22,565.28
12157	100	24422EVH9	DEERE JOHN CAP	Interest	01/05/2021	John Deere			12,308.33	12,308.33
12364	100	89114QCM8	TD 0.25% MAT	Purchase	01/06/2021	Toronto Dominion	11,989,200.00			-11,989,200.00
12365	100	89114QCP1	TORONTO	Purchase	01/06/2021	Toronto Dominion	9,985,300.00			-9,985,300.00
12286	100	313385AF3	FHLBDN DISC NOTE	Redemption	01/06/2021	Federal Home Loan		50,000,000.00		50,000,000.00
11894	100	44891JAC2	HART 1.94% MAT	Interest	01/06/2021	Hyundai Auto Rec Tru			5,658.33	5,658.33
11894	100	44891JAC2	HART 1.94% MAT	Redemption	01/06/2021	Hyundai Auto Rec Tru		95,079.96		95,079.96
11786	100	3130AGLD5	FHLB 1.875% MAT	Interest	01/07/2021	Federal Home Loan			140,625.00	140,625.00
11969	100	3135G0X24	FEDERAL NATL MTG	Interest	01/07/2021	Federal National Mtg			162,500.00	162,500.00
11970	100	3135G0X24	FEDERAL NATL MTG	Interest	01/07/2021	Federal National Mtg			162,500.00	162,500.00
12218	100	SYS12218	CBB 1.0% MAT	Interest	01/07/2021	Community Bank of th			5,166.67	5,166.67
12183	100	3135G05G4	FEDERAL NATL MTG	Interest	01/10/2021	Federal National Mtg			12,500.00	12,500.00
11644	100	3135G0U92	FEDERAL NATL MTG	Interest	01/11/2021	Federal National Mtg			131,250.00	131,250.00
11645	100	3135G0U92	FEDERAL NATL MTG	Interest	01/11/2021	Federal National Mtg			131,250.00	131,250.00
11935	100	90331HPF4	USB 1.95% MAT	Interest	01/11/2021	US BANK			195,000.00	195,000.00
11974	100	45950VNP7	IFCDN 1.68% MAT	Interest	01/11/2021	IFCDN			210,000.00	210,000.00
12340	100	313313AM0	FFCB DISC NOTE	Redemption	01/12/2021	Federal Farm Credit		10,000,000.00		10,000,000.00
12072	100	89233P5T9	TOYOTA 3.3% MAT	Interest	01/12/2021	TOYOTA MOTOR			33,000.00	33,000.00
12301	100	SYS12301	EWEST 1.5% MAT	Interest	01/12/2021	East West Bank			51,666.67	51,666.67
11975	100	3133ELGX6	FEDERAL FARM CR	Redemption	01/13/2021	Federal Farm Credit		14,995,500.00		14,995,500.00
11975	100	3133ELGX6	FEDERAL FARM CR	Cap G/L	01/13/2021	Federal Farm Credit		4,500.00		4,500.00
11975	100	3133ELGX6	FEDERAL FARM CR	Interest	01/13/2021	Federal Farm Credit			118,500.00	118,500.00
12035	100	SYS12035	SELFHP 2.1% MAT	Interest	01/13/2021	Self-Help Federal Cr			182.99	182.99
11780	100	41284WAB6	HDMOT 2.37% MAT	Redemption	01/15/2021	Harley Davidson Moto		27,745.17		27,745.17

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11913	100	94988J5N3	WELLS FARGO	Redemption	01/15/2021	Wells Fargo Securiti		13,000,000.00		13,000,000.00
11913	100	94988J5N3	WELLS FARGO	Interest	01/15/2021	Wells Fargo Securiti			169,000.00	169,000.00
11706	100	44932NAD2	HART 2.66% MAT	Interest	01/15/2021	Hyundai Auto Rec Tru			6,384.29	6,384.29
11706	100	44932NAD2	HART 2.66% MAT	Redemption	01/15/2021	Hyundai Auto Rec Tru		220,689.90		220,689.90
11770	100	02008QAB6	ALLYA 2.34% MAT	Interest	01/15/2021	Ally Auto Receivable			779.14	779.14
11770	100	02008QAB6	ALLYA 2.34% MAT	Redemption	01/15/2021	Ally Auto Receivable		333,677.45		333,677.45
11777	100	34532DAD9	FORDO 2.235% MAT	Interest	01/15/2021	Ford Credit Auto Own			17,654.16	17,654.16
11777	100	34532DAD9	FORDO 2.235% MAT	Redemption	01/15/2021	Ford Credit Auto Own		98,650.19		98,650.19
11780	100	41284WAB6	HDMOT 2.37% MAT	Interest	01/15/2021	Harley Davidson Moto			54.80	54.80
11780	100	41284WAB6	HDMOT 2.37% MAT	Redemption	01/15/2021	Harley Davidson Moto		0.35		0.35
11780	100	41284WAB6	HDMOT 2.37% MAT	Interest	01/15/2021	Harley Davidson Moto				0.00
11780	100	41284WAB6	HDMOT 2.37% MAT	Redemption	01/15/2021	Harley Davidson Moto				0.00
11798	100	477870AC3	JDOT 2.21% MAT	Interest	01/15/2021	John Deere Owner			2,302.08	2,302.08
11798	100	477870AC3	JDOT 2.21% MAT	Redemption	01/15/2021	John Deere Owner		37,109.30		37,109.30
11800	100	34528DAE3	FORDL 2.27% MAT	Interest	01/15/2021	Ford Credit Auto Own			6,053.33	6,053.33
11800	100	34528DAE3	FORDL 2.27% MAT	Redemption	01/15/2021	Ford Credit Auto Own		145,583.56		145,583.56
11801	100	34528DAD5	FORDL 2.22% MAT	Interest	01/15/2021	Ford Credit Auto Own			18,500.00	18,500.00
11801	100	34528DAD5	FORDL 2.22% MAT	Redemption	01/15/2021	Ford Credit Auto Own		474,842.32		474,842.32
11856	100	02007RAC3	ALLYA 1.3% MAT	Interest	01/15/2021	Ally Auto Receivable			15,279.16	15,279.16
11856	100	02007RAC3	ALLYA 1.3% MAT	Redemption	01/15/2021	Ally Auto Receivable		251,816.95		251,816.95
11859	100	14043TAF3	COPAR 1.92% MAT	Interest	01/15/2021	Capital One Prime Au			8,000.00	8,000.00
11859	100	14043TAF3	COPAR 1.92% MAT	Redemption	01/15/2021	Capital One Prime Au		131,298.42		131,298.42
11861	100	58769TAD7	MBART 1.94% MAT	Interest	01/15/2021	Mercedes Benz Auto			13,337.50	13,337.50
11861	100	58769TAD7	MBART 1.94% MAT	Redemption	01/15/2021	Mercedes Benz Auto		226,853.70		226,853.70
11892	100	254683CM5	DEXCRD 1.89% MAT	Interest	01/15/2021	Dexia Credit Card			15,198.75	15,198.75
11892	100	254683CM5	DEXCRD 1.89% MAT	Redemption	01/15/2021	Dexia Credit Card		226,341.47		226,341.47
11906	100	98162RAB4	WOLS 1.96% MAT	Interest	01/15/2021	World Omni			5,529.75	5,529.75
11906	100	98162RAB4	WOLS 1.96% MAT	Redemption	01/15/2021	World Omni		499,332.47		499,332.47
11915	100	34531KAD4	FORDO 1.3% MAT	Interest	01/15/2021	Ford Credit Auto Own			15,583.33	15,583.33
11915	100	34531KAD4	FORDO 1.3% MAT	Redemption	01/15/2021	Ford Credit Auto Own		274,199.36		274,199.36
11942	100	02007TAC9	ALLYA 1.84% MAT	Interest	01/15/2021	Ally Auto Receivable			4,983.33	4,983.33
11942	100	02007TAC9	ALLYA 1.84% MAT	Redemption	01/15/2021	Ally Auto Receivable		82,466.32		82,466.32
11976	100	14315XAB4	CARMX 1.3% MAT	Interest	01/15/2021	CarMax Auto Owner			3,783.91	3,783.91
11976	100	14315XAB4	CARMX 1.3% MAT	Redemption	01/15/2021	CarMax Auto Owner		241,236.35		241,236.35
11977	100	14315XAC2	CARMX 1.3% MAT	Interest	01/15/2021	CarMax Auto Owner			4,725.00	4,725.00
11977	100	14315XAC2	CARMX 1.3% MAT	Redemption	01/15/2021	CarMax Auto Owner		65,580.55		65,580.55
11984	100	65479NAB0	NALT 1.8% MAT	Interest	01/15/2021	Nissan Auto Lease Tr			9,088.82	9,088.82
11984	100	65479NAB0	NALT 1.8% MAT	Redemption	01/15/2021	Nissan Auto Lease Tr		662,808.80		662,808.80
11985	100	65479NAD6	NALT 1.8% MAT	Interest	01/15/2021	Nissan Auto Lease Tr			7,283.33	7,283.33
11985	100	65479NAD6	NALT 1.8% MAT	Redemption	01/15/2021	Nissan Auto Lease Tr		269,600.36		269,600.36

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11986	100	34531MAB4	FORDO 2.08% MAT	Interest	01/15/2021	Ford Credit Auto Own			5,108.30	5,108.30
11986	100	34531MAB4	FORDO 2.08% MAT	Redemption	01/15/2021	Ford Credit Auto Own		386,730.45		386,730.45
11987	100	34531MAD0	FORDO 2.09% MAT	Interest	01/15/2021	Ford Credit Auto Own			6,166.67	6,166.67
11987	100	34531MAD0	FORDO 2.09% MAT	Redemption	01/15/2021	Ford Credit Auto Own		152,610.14		152,610.14
11988	100	41284UAD6	HDMOT 1.87% MAT	Interest	01/15/2021	Harley Davidson Moto			4,324.37	4,324.37
11988	100	41284UAD6	HDMOT 1.87% MAT	Redemption	01/15/2021	Harley Davidson Moto		63,717.03		63,717.03
12010	100	98162HAC4	WOLS 1.7% MAT	Interest	01/15/2021	World Omni			7,437.47	7,437.47
12010	100	98162HAC4	WOLS 1.7% MAT	Redemption	01/15/2021	World Omni		215,772.84		215,772.84
12019	100	14043MAC5	COPAR 1.6% MAT	Interest	01/15/2021	Capital One Prime Au			8,000.00	8,000.00
12019	100	14043MAC5	COPAR 1.6% MAT	Redemption	01/15/2021	Capital One Prime Au		134,641.02		134,641.02
12043	100	14043MAC5	COPAR 1.6% MAT	Interest	01/15/2021	Capital One Prime Au			9,333.33	9,333.33
12043	100	14043MAC5	COPAR 1.6% MAT	Redemption	01/15/2021	Capital One Prime Au		154,487.83		154,487.83
12098	100	SYS12098	UB-LOC 2.2% MAT	Interest	01/16/2021	Union Bank - LOC			8,611.11	8,611.11
12262	100	91412HGE7	UNVHGR 0.883%	Interest	01/16/2021	UNIVHGR			42,295.70	42,295.70
11726	100	36257FAD2	GM 2.65% MAT	Interest	01/16/2021	GM Financial			7,691.65	7,691.65
11726	100	36257FAD2	GM 2.65% MAT	Redemption	01/16/2021	GM Financial		243,611.84		243,611.84
11797	100	36257PAD0	GM 1.3% MAT	Interest	01/16/2021	GM Financial			5,450.01	5,450.01
11797	100	36257PAD0	GM 1.3% MAT	Redemption	01/16/2021	GM Financial		82,345.32		82,345.32
11820	100	98162GAD4	WOLS 2.03% MAT	Interest	01/16/2021	World Omni			8,120.00	8,120.00
11820	100	98162GAD4	WOLS 2.03% MAT	Redemption	01/16/2021	World Omni		218,029.85		218,029.85
11829	100	43815NAC8	HART 1.78% MAT	Interest	01/16/2021	Hyundai Auto Rec Tru			7,045.83	7,045.83
11829	100	43815NAC8	HART 1.78% MAT	Redemption	01/16/2021	Hyundai Auto Rec Tru		158,306.39		158,306.39
11895	100	44891JAB4	HART 1.93% MAT	Interest	01/16/2021	Hyundai Auto Rec Tru			1,471.76	1,471.76
11895	100	44891JAB4	HART 1.93% MAT	Redemption	01/16/2021	Hyundai Auto Rec Tru		182,702.41		182,702.41
11905	100	89233MAD5	TAOT 1.92% MAT	Interest	01/16/2021	Toyota Auto Rec			11,200.00	11,200.00
11905	100	89233MAD5	TAOT 1.92% MAT	Redemption	01/16/2021	Toyota Auto Rec		199,893.59		199,893.59
11972	100	36258NAC6	GMCAR 1.84% MAT	Interest	01/16/2021	GM Financial			3,833.33	3,833.33
11972	100	36258NAC6	GMCAR 1.84% MAT	Redemption	01/16/2021	GM Financial		58,636.94		58,636.94
11973	100	36258NAB8	GMCAR 1.83% MAT	Interest	01/16/2021	GM Financial			1,020.46	1,020.46
11973	100	36258NAB8	GMCAR 1.83% MAT	Redemption	01/16/2021	GM Financial		113,656.55		113,656.55
11752	100	31680YAB3	FITAT 2.66% MAT	Interest	01/17/2021	Fifth Third Auto Tru			63.80	63.80
11752	100	31680YAB3	FITAT 2.66% MAT	Redemption	01/17/2021	Fifth Third Auto Tru		28,783.79		28,783.79
11760	100	14042WAC4	COPAR 2.51% MAT	Interest	01/17/2021	Capital One Prime Au			6,275.00	6,275.00
11760	100	14042WAC4	COPAR 2.51% MAT	Redemption	01/17/2021	Capital One Prime Au		79,029.42		79,029.42
11923	100	43813VAC2	HART 1.83% MAT	Interest	01/18/2021	Hyundai Auto Rec Tru			20,587.50	20,587.50
11923	100	43813VAC2	HART 1.83% MAT	Redemption	01/18/2021	Hyundai Auto Rec Tru		385,949.79		385,949.79
11924	100	43813VAB4	HART 1.86% MAT	Interest	01/18/2021	Hyundai Auto Rec Tru			10,944.31	10,944.31
11924	100	43813VAB4	HART 1.86% MAT	Redemption	01/18/2021	Hyundai Auto Rec Tru		1,025,822.64		1,025,822.64
12367	100	3130AKN85	FEDERAL HOME	Purchase	01/20/2021	Federal Home Loan	19,974,000.00			-19,974,000.00
12245	100	06367BWJ4	BMO 0.17% MAT	Redemption	01/20/2021	Bank of Montreal		50,000,000.00		50,000,000.00

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12335	100	313385AV8	FHLBDN DISC NOTE	Redemption	01/20/2021	Federal Home Loan		50,000,000.00		50,000,000.00
12245	100	06367BWJ4	BMO 0.17% MAT	Interest	01/20/2021	Bank of Montreal			26,680.55	26,680.55
11751	100	36257AAD3	GM 2.67% MAT	Interest	01/20/2021	GM Financial			2,703.79	2,703.79
11751	100	36257AAD3	GM 2.67% MAT	Redemption	01/20/2021	GM Financial		209,871.03		209,871.03
11810	100	38013TAD3	GM 2.03% MAT	Interest	01/20/2021	GM Financial			9,304.17	9,304.17
11810	100	38013TAD3	GM 2.03% MAT	Redemption	01/20/2021	GM Financial		316,115.20		316,115.20
11811	100	38013TAE1	GM 2.03% MAT	Interest	01/20/2021	GM Financial			4,229.18	4,229.18
11811	100	38013TAE1	GM 2.03% MAT	Redemption	01/20/2021	GM Financial		85,579.06		85,579.06
12018	100	36259KAD9	GM 1.67% MAT	Interest	01/20/2021	GM Financial			3,827.09	3,827.09
12018	100	36259KAD9	GM 1.67% MAT	Redemption	01/20/2021	GM Financial		117,633.95		117,633.95
12002	100	3133ELHR8	FEDERAL FARM CR	Interest	01/21/2021	Federal Farm Credit			200,000.00	200,000.00
12095	100	90331HPJ6	USB 1.8% MAT	Interest	01/21/2021	US BANK			204,750.00	204,750.00
12184	100	3136G4ZJ5	FEDERAL NATL MTG	Interest	01/21/2021	Federal National Mtg			31,250.00	31,250.00
12185	100	3136G4A86	FEDERAL NATL MTG	Interest	01/21/2021	Federal National Mtg			20,000.00	20,000.00
12195	100	3137EAEU9	FHLMC 0.625% MAT	Interest	01/21/2021	Federal Home Loan			18,541.67	18,541.67
12024	100	43813RAC1	HART 1.61% MAT	Interest	01/21/2021	Hyundai Auto Rec Tru			13,416.67	13,416.67
12024	100	43813RAC1	HART 1.61% MAT	Redemption	01/21/2021	Hyundai Auto Rec Tru		255,450.18		255,450.18
12186	100	3134GWAS5	FEDERAL HOME LN	Redemption	01/22/2021	Federal Home Loan		10,000,000.00		10,000,000.00
12334	100	313385AX4	FHLBDN DISC NOTE	Redemption	01/22/2021	Federal Home Loan		50,000,000.00		50,000,000.00
12135	100	95000U2B8	WELLS 2.625% MAT	Interest	01/22/2021	Wells Fargo Securiti			131,250.00	131,250.00
12186	100	3134GWAS5	FEDERAL HOME LN	Interest	01/22/2021	Federal Home Loan			27,500.00	27,500.00
12193	100	3137EAE2	FHLMC 0.125% MAT	Interest	01/23/2021	Federal Home Loan			3,159.72	3,159.72
12194	100	3137EAE2	FHLMC 0.125% MAT	Interest	01/23/2021	Federal Home Loan			6,319.44	6,319.44
11896	100	95000U2B8	WELLS 2.625% MAT	Interest	01/24/2021	Wells Fargo Securiti			196,875.00	196,875.00
12369	100	62478UUA0	MUFG 0.17% MAT	Purchase	01/25/2021	MUFG UNION BANK	50,000,000.00			-50,000,000.00
11544	100	459058GH0	IBRD 2.75% MAT	Interest	01/25/2021	International Bank R			137,500.00	137,500.00
12358	100	459058JE4	IBRD 0.375% MAT	Interest	01/25/2021	International Bank R			18,800.00	18,800.00
12358	100	459058JE4	IBRD 0.375% MAT	Accr Int	01/25/2021	International Bank R		15,104.17	-15,104.17	0.00
11858	100	05588CAC6	BMWOT 1.92% MAT	Interest	01/25/2021	BMW Vehicle Owner			7,200.00	7,200.00
11858	100	05588CAC6	BMWOT 1.92% MAT	Redemption	01/25/2021	BMW Vehicle Owner		129,996.80		129,996.80
11860	100	05588CAB8	BMWOT 2.05% MAT	Interest	01/25/2021	BMW Vehicle Owner			1,163.68	1,163.68
11860	100	05588CAB8	BMWOT 2.05% MAT	Redemption	01/25/2021	BMW Vehicle Owner		273,906.15		273,906.15
11308	100	3134GBYF3	FEDERAL HOME LN	Redemption	01/27/2021	Federal Home Loan		10,000,000.00		10,000,000.00
11981	100	45905U5U4	IBRD 1.75% MAT	Redemption	01/27/2021	International Bank R		10,000,000.00		10,000,000.00
11982	100	45905U5U4	IBRD 1.75% MAT	Redemption	01/27/2021	International Bank R		15,000,000.00		15,000,000.00
11983	100	3136G4UA9	FEDERAL NATL MTG	Redemption	01/27/2021	Federal National Mtg		9,995,000.00		9,995,000.00
11983	100	3136G4UA9	FEDERAL NATL MTG	Cap G/L	01/27/2021	Federal National Mtg		5,000.00		5,000.00
12342	100	313385BC9	FHLBDN DISC NOTE	Redemption	01/27/2021	Federal Home Loan		100,000,000.00		100,000,000.00
11308	100	3134GBYF3	FEDERAL HOME LN	Interest	01/27/2021	Federal Home Loan			90,000.00	90,000.00
11981	100	45905U5U4	IBRD 1.75% MAT	Interest	01/27/2021	International Bank R			87,500.00	87,500.00

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11982	100	45905U5U4	IBRD 1.75% MAT	Interest	01/27/2021	International Bank R			131,250.00	131,250.00
11983	100	3136G4UA9	FEDERAL NATL MTG	Interest	01/27/2021	Federal National Mtg			85,000.00	85,000.00
12115	100	31422BYV6	FHLMC 0.67% MAT	Interest	01/27/2021	FARMER MAC			96,250.00	96,250.00
12253	100	SYS12253	CBC 0.49876% MAT	Interest	01/27/2021	California Bank of C			6,442.32	6,442.32
12254	100	SYS12254	CBC 0.5% MAT	Interest	01/27/2021	California Bank of C			4,305.56	4,305.56
12372	100	62478UAX4	MUFG 0.16% MAT	Purchase	01/28/2021	MUFG UNION BANK	50,000,000.00			-50,000,000.00
12370	100	912796C49	UNITED STATES	Purchase	01/28/2021	Treasury Bill	49,983,302.08			-49,983,302.08
12371	100	912828ZX1	UNITED STATES	Purchase	01/28/2021	U.S. Treasury	50,022,412.38			-50,022,412.38
12053	100	037833BS8	APPLE INC, SR GLBL	Redemption	01/28/2021	Apple Inc.		6,872,663.70		6,872,663.70
12053	100	037833BS8	APPLE INC, SR GLBL	Cap G/L	01/28/2021	Apple Inc.		-11,663.70		-11,663.70
11854	100	69353RFE3	PNC BK N A	Interest	01/28/2021	PNC Bank NA			161,896.00	161,896.00
12001	100	3133ELKN3	FEDERAL FARM CR	Interest	01/28/2021	Federal Farm Credit			193,750.00	193,750.00
12053	100	037833BS8	APPLE INC, SR GLBL	Interest	01/28/2021	Apple Inc.			66,465.94	66,465.94
12373	100	3130AKVY9	FEDERAL HOME	Purchase	01/29/2021	Federal Home Loan	10,000,000.00			-10,000,000.00
12374	100	3130AKVN3	FEDERAL HOME	Purchase	01/29/2021	Federal Home Loan	5,000,000.00			-5,000,000.00
12377	100	3130AKUS3	FEDERAL HOME	Purchase	01/29/2021	Federal Home Loan	15,442,489.58			-15,442,489.58
12378	100	3130AKMD5	FEDERAL HOME	Purchase	01/29/2021	Federal Home Loan	4,976,532.26			-4,976,532.26
12375	100	912796B40	UNITED STATES	Purchase	01/29/2021	Treasury Bill	49,986,187.50			-49,986,187.50
12376	100	912796C56	UNITED STATES	Purchase	01/29/2021	Treasury Bill	49,983,031.25			-49,983,031.25
12175	100	87019VG76	SWEDBK 0.3% MAT	Redemption	01/29/2021	SWEDISH BANK NY		50,000,000.00		50,000,000.00
12238	100	89114NT70	TD 0.18% MAT	Redemption	01/29/2021	Toronto Dominion		50,000,000.00		50,000,000.00
12239	100	06367BVU0	BMO 0.17% MAT	Redemption	01/29/2021	Bank of Montreal		50,000,000.00		50,000,000.00
12121	100	SYS12121	EWEST 0.7% MAT	Interest	01/29/2021	East West Bank			9,041.67	9,041.67
12175	100	87019VG76	SWEDBK 0.3% MAT	Interest	01/29/2021	SWEDISH BANK NY			91,666.65	91,666.65
12238	100	89114NT70	TD 0.18% MAT	Interest	01/29/2021	Toronto Dominion			31,750.00	31,750.00
12239	100	06367BVU0	BMO 0.17% MAT	Interest	01/29/2021	Bank of Montreal			29,986.10	29,986.10
12380	100	SYS12380	FREMNT 0.12% MAT	Purchase	01/30/2021	Fremont Bank	35,000,000.00			-35,000,000.00
12126	100	SYS12126	FREMNT 1.0% MAT	Redemption	01/30/2021	Fremont Bank		35,000,000.00		35,000,000.00
12126	100	SYS12126	FREMNT 1.0% MAT	Interest	01/30/2021	Fremont Bank			17,892.53	17,892.53
11791	100	912828S92	UNITED STATES	Interest	01/31/2021	U.S. Treasury			312,500.00	312,500.00
11843	100	912828S92	UNITED STATES	Interest	01/31/2021	U.S. Treasury			312,500.00	312,500.00
11919	100	912828Y87	UNITED STATES	Interest	01/31/2021	U.S. Treasury			437,500.00	437,500.00
11936	100	912828Y87	UNITED STATES	Interest	01/31/2021	U.S. Treasury			437,500.00	437,500.00
12004	100	SYS12004	BANKSF 2.0% MAT	Interest	01/31/2021	Bank of San Francisc			19,125.00	19,125.00
12117	100	SYS12117	CALBT 1.0% MAT	Interest	01/31/2021	California Bank & Tr			25,833.33	25,833.33
12253	100	SYS12253	CBC 0.49876% MAT	Interest	01/31/2021	California Bank of C			6,396.67	6,396.67
12254	100	SYS12254	CBC 0.5% MAT	Interest	01/31/2021	California Bank of C			4,264.43	4,264.43
12380	100	SYS12380	FREMNT 0.12% MAT	Interest	01/31/2021	Fremont Bank			17,892.53	17,892.53
10470	100	SYS10470	CAMP 0.24%	Interest	01/31/2021	California Asset Mgm			13,323.66	13,323.66
10472	100	SYS10472	CTRSTF 0.1%	Interest	01/31/2021	CalTrust - Short Ter			13,141.88	13,141.88

Portfolio POOL

RC

**Alameda County Investment Pool
Transaction Activity Report
Sorted by Fund - Transaction Date**

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	TransactionDate	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
12255	100	SYS12255	BRIDGE 1.5% MAT	Interest	02/03/2021	Bridge Bank			2,293.19	2,293.19
Totals for General Fund							412,342,455.05	694,514,297.33	6,453,276.85	288,625,119.13
Grand Total							412,342,455.05	694,514,297.33	6,453,276.85	288,625,119.13

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

1 World Financial Center, 27th floor
200 Liberty Street
New York, New York 10281

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

