NEW ISSUE—FULL BOOK-ENTRY **RATING: Moody's: "Aa2"**
(See "MISCELLANEOUS – Rating" herein)

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issue discount) on the Bonds is exempt from State of California personal income tax. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

$14,000,000
NEVADA JOINT UNION HIGH SCHOOL DISTRICT
(Nevada and Yuba Counties, California)
Election of 2016 General Obligation Bonds, Series A

Dated: Date of Delivery **Due: August 1, as shown herein**

This cover page contains certain information for quick reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Capitalized terms used but not otherwise defined on this cover page shall have the meanings assigned to such terms herein.

The Nevada Joint Union High School District (Nevada and Yuba Counties, California) Election of 2016 General Obligation Bonds, Series A (the "Bonds") were authorized at an election of the registered voters of the Nevada Joint Union High School District (the "District") held on November 8, 2016, at which more than fifty-five percent of the persons voting on the proposition voted to authorize the issuance and sale of $47,000,000 principal amount of general obligation bonds of the District. The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuance of the Bonds.

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

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds. The Bonds will be dated as of their date of initial delivery (the "Date of Delivery") and will be issued as current interest bonds, such that interest thereon will accrue from the Date of Delivery and be payable semiannually on February 1 and August 1 of each year, commencing February 1, 2018. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof.

Payments of principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the paying agent, bond registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (as defined herein) who will remit such payments to the Beneficial Owners of the Bonds. See "THE BONDS – Book-Entry Only System" herein.

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

Maturity Schedule
(see inside front cover page)

Pursuant to the terms of a public sale on May 10, 2017, the Bonds were awarded to the Underwriter at a True-Interest Cost of 3.250178%. The Bonds are being offered when, as and if issued and received by the Underwriter, subject to the approval of legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel. The Bonds, in book-entry form, will be available through the facilities of The Depository Trust Company in New York, New York, on or about June 1, 2017.

Dated: May 10, 2017.

MATURITY SCHEDULE

$14,000,000
NEVADA JOINT UNION HIGH SCHOOL DISTRICT
(Nevada and Yuba Counties, California)
Election of 2016 General Obligation Bonds, Series A

Base CUSIP(†): 64133M

$10,780,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP(†)
2018	$1,900,000	4.000%	0.920%	DD6
2019	1,850,000	5.000	1.020	DE4
2020	115,000	5.000	1.140	DF1
2021	280,000	5.000	1.290	DG9
2022	290,000	5.000	1.440	DH7
2023	305,000	5.000	1.590	DJ3
2024	320,000	5.000	1.750	DK0
2025	335,000	5.000	1.950	DL8
2026	350,000	5.000	2.100	DM6
2027	365,000	5.000	2.240	DN4
2028	380,000	5.000	2.380(1)	DP9
2029	395,000	5.000	2.500(1)	DQ7
2030	415,000	3.000	3.000	DR5
2031	435,000	3.000	3.100	DS3
2032	455,000	3.125	3.200	DT1
2033	475,000	3.250	3.300	DU8
2034	495,000	3.250	3.400	DV6
2035	515,000	3.375	3.450	DW4
2036	540,000	3.375	3.500	DX2
2037	565,000	3.500	3.550	DY0

$1,205,000 – 3.500% Term Bonds due August 1, 2039 – Yield 3.650%; CUSIP(†):DZ7

$2,015,000 – 3.625% Term Bonds due August 1, 2042 – Yield 3.700%; CUSIP(†):EA1

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(1) Yield to call at par on August 1, 2027.
(†) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by S&P Capital IQ on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the District, the Financial Advisor or the Underwriter and are included solely for the convenience of the registered owners of the applicable Bonds. None of the District, the Financial Advisor or the Underwriter is responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the execution and delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

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

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, in reliance upon exemptions provided thereunder by Sections 3(a)2 and 3(a)12, respectively. This Official Statement does not constitute an offer to sell or a solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

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

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE INSIDE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

The District maintains a website. However, the information presented on the District's website is not incorporated into this Official Statement by any reference, and should not be relied upon in making investment decisions with respect to the Bonds.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

BOARD OF EDUCATION

Jim Drew, *President*
Jamie Reeves, Vice President
Al Angulo, *Clerk*
Linda Campbell, *Member*
Pat Seeley, *Member*

DISTRICT ADMINISTRATION

Dr. Louise Johnson, *Superintendent*
Karen Suenram, *Assistant Superintendent, Business Services*
Laura Flores, *Chief Business Official*

PROFESSIONAL SERVICES

BOND COUNSEL AND DISCLOSURE COUNSEL

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

FINANCIAL ADVISOR

Capitol Public Finance Group, LLC
Roseville, California

PAYING AGENT, REGISTRAR AND TRANSFER AGENT

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

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$14,000,000
NEVADA JOINT UNION HIGH SCHOOL DISTRICT
(Nevada and Yuba Counties, California)
Election of 2016 General Obligation Bonds, Series A

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of the Nevada Joint Union High School District (Nevada and Yuba Counties, California) Election of 2016 General Obligation Bonds, Series A (the "Bonds").

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

Changes Since Date of Preliminary Official Statement

On May 11, 2017, the Governor of the State of California (the "State") released the May revision to the proposed State budget for fiscal year 2017-18. Information presented under the heading "DISTRICT FINANCIAL INFORMATION – State Budget Measures" has been updated accordingly. In addition, the PERS Board of Administration (defined herein) approved the K-14 school district contribution rates for 2017-18 for both employees and employers and released certain actuarial information to be incorporated into the June 30, 2016 actuarial valuation. The information included in the Official Statement under the caption "NEVADA JOINT UNION HIGH SCHOOL DISTRICT – District Retirement Systems", has been revised accordingly. In addition, the information under the section "LEGAL MATTERS – Continuing Disclosure Certificate – Previous Undertakings" has been revised to reflect a supplemental filing requested by one of the potential purchasers of the Bonds.

General

The Nevada Joint Union High School District (the "District") encompasses an area of approximately 1,000 square miles in western Nevada County (the "County") and eastern Yuba County ("Yuba County" and, together with Nevada County, the "Counties") with the District offices located in the City of Grass Valley, which is approximately 60 miles northeast of Sacramento, California and 75 miles southwest of Reno, Nevada. The District serves the communities of Grass Valley, Nevada City, Rough and Ready, Penn Valley, Lake Wildwood, Chicago Park, North San Juan, Cumptonville, Cedar Ridge, Peardale and Lake of the Pines and adjacent unincorporated areas of Nevada and Yuba Counties. The District operates two comprehensive high schools, two continuation schools, and two alternative high schools. The District's projected average daily attendance for fiscal year 2016-17 is 2,476 students, and the District has a 2016-17 assessed valuation of $11,266,432,324.

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

For more information regarding the District generally, see "DISTRICT FINANCIAL INFORMATION" and "NEVADA JOINT UNION HIGH SCHOOL DISTRICT" herein, and for more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS" herein.

Purposes of the Bonds

The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuance of the Bonds. See "THE BONDS – Application and Investment of Bond Proceeds" and "ESTIMATED SOURCES AND USES OF FUNDS" herein.

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and pursuant to a resolution adopted by the Board. See "THE BONDS – Authority for Issuance" herein.

Sources of Payment for the Bonds

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

Description of the Bonds

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

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

Denominations. Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount, or any integral multiple thereof.

Redemption. The Bonds are subject to optional and mandatory sinking fund redemption prior to their stated maturity dates as further described herein. See "THE BONDS – Redemption" herein.

Payments. The Bonds will be dated as of the date of their initial delivery (the "Date of Delivery"). Interest on the Bonds accrues from the Date of Delivery, and is payable semiannually on each February 1 and August 1, commencing February 1, 2018 (each, a "Bond Payment Date"). Principal of the Bonds is payable on August 1, in the amounts and years as shown on the inside cover page hereof. Payments of the principal of and interest on the Bonds will be made by The Bank of New York Mellon Trust Company, N.A., as the paying agent, registrar and transfer agent for the Bonds (the "Paying Agent"), to DTC for subsequent disbursement through DTC Participants (as defined herein) to the Beneficial Owners of the Bonds.

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel, based on existing statutes, regulations, rulings and judicial decisions and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, 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 calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California (the "State") personal income tax. See "TAX MATTERS" herein.

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC in New York, New York, on or about June 1, 2017.

Bond Owner's Risks

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

Continuing Disclosure

The District has covenanted that it will comply with and carry out the provisions of that certain Continuing Disclosure Certificate relating to the Bonds. Pursuant thereto, the District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in compliance with Securities and Exchange Commission Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be made available and of the notices of listed events is summarized below under "LEGAL MATTERS – Continuing Disclosure" herein and "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. Capitol Public Finance Group, LLC, Roseville, California, is acting as financial advisor to the District with respect to the Bonds. Stradling Yocca Carlson and Rauth and Capitol Public Finance Group, LLC will each receive compensation from the District contingent upon the sale and delivery of the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available from the Nevada Joint Union High School District, 11645 Ridge Road, Grass Valley, California 95945, telephone: (530) 273-3351. The District may impose a charge for copying, mailing and handling.

No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representations other than as contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. The summaries and references to documents, statutes and constitutional provisions referred to herein do not purport to be comprehensive or definitive, and are qualified in their entireties by reference to each such documents, statutes and constitutional provisions.

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

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

THE BONDS

Authority for Issuance

The Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code, Article XIIIA of the State Constitution and pursuant to a resolution adopted by the Board on April 5, 2017 (the "Resolution").

The District received authorization at an election held on November 8, 2016, by the requisite 55% or more of the votes cast by eligible voters of the District to issue $47,000,000 aggregate principal amount of general obligation bonds (the "2016 Authorization"). The Bonds are the first series of bonds issued under the 2016 Authorization, and, following the issuance thereof, $33,000,000 of the 2016 Authorization will remain unissued.

Security and Sources of Payment

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes. The Board of Supervisors of the Counties are empowered and obligated to annually levy *ad valorem* property taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. The levy may include allowance for an annual reserve, established for the purpose of avoiding fluctuating tax levies. The Counties, however, are not obligated to establish such a reserve, and the District can make no representation that such reserve will be established by the Counties or that such a reserve, if previously established by the Counties, will be maintained in the future.

Such taxes will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. Such taxes, when collected, will be placed by the County in the Debt Service Fund (as defined herein), which is required to be segregated and maintained by the County and which is designated for the payment of the Bonds, and interest thereon when due, and for no other purpose. Pursuant to the Resolution, the District has pledged funds on deposit in the Debt Service Fund to the payment of the Bonds. Although the Counties are obligated to levy *ad valorem* property taxes for the payment of the Bonds as described above, and the County will maintain the Debt Service Fund, none of the Bonds are a debt of either of the Counties.

Pursuant to Government Code Section 53515, the Bonds will be secured by a statutory lien on all revenues received pursuant to the levy and collection of *ad valorem* property taxes for the payment thereof. The lien automatically attaches, without further action or authorization by the Board, and is valid and binding from the time the Bonds are executed and delivered. The revenues received pursuant to the levy and collection of the *ad valorem* property tax will be immediately subject to the lien, and such lien will be enforceable against the District, its successor, transferees and creditors, and all other parties asserting rights therein, irrespective of whether such parties have notice of the lien and without the need for physical delivery, recordation, filing or further act.

The moneys in the Debt Service Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred to the Paying Agent. The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Participants for subsequent disbursement to the Beneficial Owners of the Bonds.

The amount of the annual *ad valorem* property taxes levied by the Counties 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 in any year. 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 general market decline in land values, disruption in financial markets that may reduce the availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, flood, fire, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution" and "TAX BASE FOR REPAYMENT OF BONDS – Assessed Valuations" herein.

General Provisions

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. See "—Book-Entry Only System" herein. Beneficial Owners will not receive certificates representing their interest in the Bonds. The Bonds will be dated as of the Date of Delivery.

Interest on the Bonds accrues from the Date of Delivery and is payable semiannually on each Bond Payment Date, commencing February 1, 2018. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond will bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Bond Payment Date to that Bond Payment Date, inclusive, in which event it will bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2018, in which event it will bear interest from the Date of Delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof, and mature on August 1, in the years and amounts set forth on the inside cover page hereof.

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

Annual Debt Service

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

Year Ending August 1	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service Payment
2018	$1,900,000.00	$661,609.38	$2,561,609.38
2019	1,850,000.00	491,093.76	2,341,093.76
2020	115,000.00	398,593.76	513,593.76
2021	280,000.00	392,843.76	672,843.76
2022	290,000.00	378,843.76	668,843.76
2023	305,000.00	364,343.76	669,343.76
2024	320,000.00	349,093.76	669,093.76
2025	335,000.00	333,093.76	668,093.76
2026	350,000.00	316,343.76	666,343.76
2027	365,000.00	298,843.76	663,843.76
2028	380,000.00	280,593.76	660,593.76
2029	395,000.00	261,593.76	656,593.76
2030	415,000.00	241,843.76	656,843.76
2031	435,000.00	229,393.76	664,393.76
2032	455,000.00	216,343.76	671,343.76
2033	475,000.00	202,125.00	677,125.00
2034	495,000.00	186,687.50	681,687.50
2035	515,000.00	170,600.00	685,600.00
2036	540,000.00	153,218.76	693,218.76
2037	565,000.00	134,993.76	699,993.76
2038	590,000.00	115,218.76	705,218.76
2039	615,000.00	94,568.76	709,568.76
2040	640,000.00	73,043.76	713,043.76
2041	670,000.00	49,843.76	719,843.76
2042	705,000.00	25,556.26	730,556.26
Total	$14,000,000.00	$6,420,328.34	$20,420,328.34

(1) Interest payments on the Bonds will be made semiannually on February 1 and August 1 of each year, commencing February 1, 2018.

See "NEVADA JOINT UNION HIGH SCHOOL DISTRICT – District Debt Structure – General Obligation Bonds" herein for a full table of the annual debt service requirements for the District's outstanding general obligation bonded debt.

Application and Investment of Bond Proceeds

The Bonds are being issued by the District to (i) finance the repair, upgrading, acquisition, construction and equipping of certain District property and facilities and (ii) pay the costs of issuance of the Bonds.

Building Fund. The net proceeds of the sale of the Bonds will be deposited into the fund held by the County and designated as the "Nevada Joint Union High School District Election of 2016 General Obligation Bonds, Series A Building Fund" (the "Building Fund") and will be applied only for the purposes approved by the voters of the District pursuant to the 2016 Authorization. Any interest earnings on moneys held in the Building Fund will be retained therein. The County will have no responsibility for assuring the proper use of the proceeds of the Bonds.

Debt Service Fund. Any premium or accrued interest received by the District from the sale of the Bonds will be kept separate and apart in the fund designated as the "Nevada Joint Union High School District Election of 2016 General Obligation Bonds, Series A Debt Service Fund" (the "Debt Service Fund"), which fund is held by the County for the payment of principal of and interest on the Bonds, and for no other purpose. Any interest earnings on moneys held in the Debt Service Fund will be retained therein. Any excess proceeds of the Bonds not needed for authorized purposes for which the Bonds are being issued will be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds. Pursuant to the Resolution, the District has pledged monies on deposit in the Debt Service Fund to the payment of the Bonds. If, after payment in full of the Bonds, there remain excess proceeds, any such excess amounts will be transferred to the general fund of the District.

Investment of Proceeds. Moneys in the Building Fund and the Debt Service Fund are expected to be invested through the County's pooled investment fund. See "APPENDIX E – NEVADA COUNTY TREASURY POOL" attached hereto.

Redemption

Optional Redemption. The Bonds maturing on or before August 1, 2027 are not subject to redemption prior to their respective maturity dates. The Bonds maturing on or after August 1, 2028 are subject to redemption prior to their respective stated maturity dates at the option of the District, from any source of available funds, as a whole or in part, on any date on or after August 1, 2027, at a redemption price equal to the principal amount of the Bonds called for redemption, together with interest accrued thereon to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on August 1, 2039, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2038, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	Principal Amount to be Redeemed
2038	$590,000
2039(1)	615,000
Total:	$1,205,000

(1) Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 2039 is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

The Term Bonds maturing on August 1, 2042, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2040, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amounts represented by such Term Bonds to be so redeemed, the dates therefor and the final principal payment date are as indicated in the following table:

Redemption Date (August 1)	**Principal Amount to be Redeemed**
2040	$640,000
2041	670,000
2042[1]	705,000
Total:	$2,015,000

[1] Maturity.

In the event that a portion of the Term Bonds maturing on August 1, 2042 is optionally redeemed prior to maturity, the remaining mandatory sinking fund payments shown above shall be reduced proportionately, or as otherwise directed by the District, in integral multiples of $5,000 of principal amount, in respect of the portion of such Term Bonds optionally redeemed.

Selection of Bonds for Redemption. Whenever provision is made for the optional redemption of Bonds and less than all outstanding Bonds are to be redeemed, the Paying Agent, upon written instruction from the District, will select the Bonds for redemption as directed by the District and if not so directed, in inverse order of maturity. Within a maturity, the Paying Agent will select Bonds for redemption as directed by the District, and if not so directed, by lot. Redemption by lot will be in such manner as the Paying Agent will determine; provided, however, that, with respect to redemption by lot, the portion of any Bond to be redeemed in part shall be in the principal amount of $5,000 or any integral multiple thereof.

Notice of Redemption. When optional redemption is authorized or required pursuant to the Resolution, upon written instruction from the District, the Paying Agent will give notice (a "Redemption Notice") of the redemption of the Bonds. Each Redemption Notice will specify (a) the Bonds or designated portions thereof (in the case of redemption of the Bonds in part but not in whole) which are to be redeemed, (b) the date of redemption, (c) the place or places where the redemption will be made, including the name and address of the Paying Agent, (d) the redemption price, (e) the CUSIP numbers (if any) assigned to the Bonds to be redeemed, (f) the Bond numbers of the Bonds to be redeemed in whole or in part and, in the case of any Bond to be redeemed in part only, the principal amount of such Bond to be redeemed, and (g) the original issue date, interest rate and stated maturity date of each Bond to be redeemed in whole or in part.

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

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

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

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

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

Partial Redemption of Bonds. Upon the surrender of any Bond redeemed in part only, the Paying Agent will execute and deliver to the Owner thereof a new Bond or Bonds of like series, tenor and maturity and of authorized denominations equal in principal amount to the unredeemed portion of the Bond surrendered (the "Transfer Amount"). Such partial redemption is valid upon payment of the amount required to be paid to such Owner, and the District will be released and discharged thereupon from all liability to the extent of such payment.

Effect of Notice of Redemption. Notice having been given as described above, and the moneys for the redemption (including the interest accrued to the applicable date of redemption) having been set aside as described in "—Defeasance" herein, the Bonds to be redeemed shall become due and payable on such date of redemption.

If on such redemption date, moneys for the redemption of all the Bonds to be redeemed, together with interest accrued to such redemption date, shall be held in trust, so as to be available therefor on such redemption date, and if a Redemption Notice thereof shall have been given as described above, then from and after such redemption date, interest on the Bonds to be redeemed will cease to accrue and become payable. All money held for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds to be so redeemed.

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

Book-Entry Only System

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

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 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," and together with the Direct Participants, the "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.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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.

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

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and distributions on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds or distributions to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying

Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

For every transfer and exchange of Bonds, Owners requesting such transfer or exchange may be charged a sum sufficient to cover any tax, governmental charge or transfer fees that may be imposed in relation thereto, which charge may include transfer fees imposed by the Paying Agent, DTC or the DTC Participant in connection with such transfers or exchanges.

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

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to the Owners thereof.

Discontinuation of Book-Entry Only System; Registration, Exchange and Transfer of Bonds

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

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

The principal of the Bonds and any interest upon the redemption thereof prior to maturity will be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the designated office of the Paying Agent. Interest on the Bonds will be paid by the Paying Agent by either (i) check or draft mailed to the person whose name appears on the registration books of the Paying Agent as the registered Owner, and to that person's address appearing on the registration books as of the close of business on the Record Date, or (ii) by wire to a bank and account number on file with the Paying Agent as of the Record Date.

Any Bond may be exchanged for Bonds of like series, tenor, maturity and Transfer Amount upon presentation and surrender at the designated office of the Paying Agent, together with a request for exchange signed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred on the Bond Register only upon presentation and surrender of the Bond at the designated office of the Paying Agent together with an assignment executed by the Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. Upon exchange or transfer, the Paying Agent will complete, authenticate and deliver a new bond or bonds of like series and tenor, and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

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

Defeasance

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

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

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

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

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

ESTIMATED SOURCES AND USES OF FUNDS

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

Sources of Funds	
Principal Amount of Bonds	$14,000,000.00
Net Original Issue Premium	799,993.50
Total Sources	$14,799,993.50
Uses of Funds	
Building Fund	$13,835,000.00
Debt Service Fund	653,553.50
Costs of Issuance(1)	165,000.00
Underwriter's Discount	146,440.00
Total Uses	$14,799,993.50

(1) A portion of the proceeds of the Bonds will be used to pay costs of issuance thereof, including, but not limited to, legal fees, financial advisory fees, printing costs, rating agency fees, the costs and fees of the Paying Agent, and other costs of issuance of the Bonds.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from* ad valorem *property taxes levied and collected by the Counties on taxable property in the District, which taxes are unlimited as to rate or amount. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

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

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

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

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

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

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

Assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) is allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and K-14 school districts (as defined herein) share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year.

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Assessed Valuations

Property within the District has a total assessed valuation for fiscal year 2016-17 of $11,266,432,324. The following table shows a 10-year history of assessed valuations in the District.

ASSESSED VALUATIONS
Fiscal Years 2007-08 through 2016-17
Nevada Joint Union High School District

Nevada County Portion

	Local Secured	Utility	Unsecured	Total
2007-08	$10,213,030,363	$3,540,840	$219,228,696	$10,435,799,899
2008-09	10,504,802,363	3,542,256	226,901,114	10,735,245,733
2009-10	10,630,039,150	3,543,674	230,082,506	10,863,665,330
2010-11	9,736,261,316	3,533,754	236,989,071	9,976,784,141
2011-12	9,622,108,891	3,511,388	229,176,068	9,854,796,347
2012-13	9,427,101,644	672,729	225,595,288	9,653,369,661
2013-14	9,495,816,640	661,464	214,615,484	9,711,093,588
2014-15	10,016,122,812	650,281	208,335,651	10,225,108,744
2015-16	10,495,880,975	438,212	194,709,274	10,691,028,461
2016-17	11,006,376,610	450,117	190,171,905	11,196,998,632

Yuba County Portion

	Local Secured	Utility	Unsecured	Total
2007-08	$55,231,954	$0	$1,735,752	$56,967,706
2008-09	59,200,229	0	1,841,250	61,041,479
2009-10	59,639,143	0	1,826,763	61,465,906
2010-11	59,065,517	0	1,571,781	60,637,298
2011-12	60,021,171	0	1,582,523	61,603,694
2012-13	59,897,266	0	1,476,685	61,373,951
2013-14	60,510,064	0	1,400,950	61,911,014
2014-15	61,640,069	0	1,251,954	62,892,023
2015-16	65,219,919	0	1,214,649	66,434,568
2016-17	68,236,401	0	1,197,291	69,433,692

Total District

	Local Secured	Utility	Unsecured	Total
2007-08	$10,268,262,317	$3,540,840	$220,964,448	$10,492,767,605
2008-09	10,564,002,592	3,542,256	228,742,364	10,796,287,212
2009-10	10,689,678,293	3,543,674	231,909,269	10,925,131,236
2010-11	9,795,326,833	3,533,754	238,560,852	10,037,421,439
2011-12	9,682,130,062	3,511,388	230,758,591	9,916,400,041
2012-13	9,486,998,910	672,729	227,071,973	9,714,743,612
2013-14	9,556,326,704	661,464	216,016,434	9,773,004,602
2014-15	10,077,762,881	650,281	209,587,605	10,288,000,767
2015-16	10,561,100,894	438,212	195,923,923	10,757,463,029
2016-17	11,074,613,011	450,117	191,369,196	11,266,432,324

Source: California Municipal Statistics, Inc.

Economic and other factors beyond the District's control, such as a general market decline in real property values, disruption in financial markets that may reduce availability of financing for purchasers of property, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the State and local agencies and property used for qualified education, hospital, charitable or religious purposes), or the complete or partial destruction of the taxable property caused by a natural or manmade disaster, such as earthquake, drought, flood, fire or toxic contamination, could cause a reduction in the assessed value of taxable property within the District. Any such reduction would result in a corresponding increase in the annual tax rate levied by the Counties to pay the debt service with respect to the Bonds. See "THE BONDS – Security and Sources of Payment" herein.

Appeals and Adjustments of Assessed Valuations

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

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

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

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

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

Assessed Valuation of Single Family Homes

The following table shows a per-parcel analysis of single family residences within the District, in terms of their fiscal year 2016-17 assessed valuation.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2016-17
Nevada Joint Union High School District

	No. of Parcels	2016-17 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	28,253	$8,332,388,662	$294,920	$259,000

2016-17 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	718	2.541%	2.541%	$24,794,630	0.298%	0.298%
50,000 - 99,999	1,493	5.284	7.826	114,839,981	1.378	1.676
100,000 - 149,999	2,629	9.305	17.131	335,226,947	4.023	5.699
150,000 - 199,999	3,918	13.868	30.998	691290,989	8.296	13.995
200,000 - 249,999	4,564	16.154	47.153	1,027,021,428	12.326	26.321
250,000 - 299,999	3,904	13.818	60.971	1,069,358,394	12.834	39.155
300,000 - 349,999	3,065	10.848	71.819	993,118,645	11.919	51.074
350,000 - 399,999	2,285	8.088	79.907	851,025,922	10.213	61.287
400,000 - 449,999	1,573	5.568	85.474	666,610,977	8.000	69.287
450,000 - 499,999	1,170	4.141	89.615	553,661,784	6.645	75.932
500,000 - 549,999	740	2.619	92.234	387,663,174	4.652	80.584
550,000 - 599,999	548	1.940	94.174	314,558,087	3.775	84.360
600,000 - 649,999	385	1.363	95.537	240,558,609	2.887	87.247
650,000 - 699,999	299	1.058	96.595	201,609,872	2.420	89.666
700,000 - 749,999	237	0.839	97.434	171,237,412	2.055	91.721
750,000 - 799,999	190	0.672	98.106	147,029,726	1.765	93.486
800,000 - 849,999	130	0.460	98.567	107,161,133	1.286	94.772
850,000 - 899,999	86	0.304	98.871	75,099,498	0.901	95.673
900,000 - 949,999	84	0.297	99.168	77,401,038	0.929	96.602
950,000 - 999,999	47	0.166	99.335	45,920,661	0.551	97.153
1,000,000 and greater	188	0.665	100.000	237,199,755	2.847	100.000
Total	28,253	100.000%		$8,332,388,662	100.000%	

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

Assessed Valuation and Parcels by Land Use

The following table shows a per-parcel analysis of the distribution of taxable property within the District by principal use, and the fiscal year 2016-17 assessed valuation of such parcels.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2016-17
Nevada Joint Union High School District

Non-Residential:	2016-17 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Agricultural/Timber	$127,495,082	1.15%	967	2.23%
Commercial	756,739,584	6.83	1,291	2.97
Vacant Commercial	22,057,940	0.20	199	0.46
Recreational	117,036,670	1.06	1,498	3.45
Industrial	269,260,343	2.43	454	1.05
Vacant Industrial	32,568,852	0.29	156	0.36
Government/Social/Institutional	87,383,500	0.79	1,281	2.95
Miscellaneous	658,664	0.01	119	0.27
Subtotal Non-Residential	$1,413,200,635	12.76%	5,965	13.74%
Residential:				
Single Family Residence	$8,332,388,662	75.24%	28,253	65.07%
Condominium/Townhouse	74,052,143	0.67	452	1.04
Mobile Home	193,943,406	1.75	2,961	6.82
Mobile Home Park	45,121,626	0.41	32	0.07
2-4 Residential Units	585,648,977	5.29	1,573	3.62
5+ Residential Units/Apartments	153,689,346	1.39	94	0.22
Miscellaneous Residential	49,479,551	0.45	433	1.00
Vacant Residential	227,088,665	2.05	3,654	8.42
Subtotal Residential	$9,661,412,376	87.24%	37,452	86.26%
Total	$11,074,613,011	100.00%	43,417	100.00%

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

Assessed Valuation by Jurisdiction

The following table shows the fiscal year 2016-17 assessed valuation of the District by jurisdiction.

ASSESSED VALUATION BY JURISDICTION
Fiscal Year 2016-17
Nevada Joint Union High School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Grass Valley	$1,549,701,743	13.76%	$1,549,701,743	100.00%
City of Nevada City	528,895,526	4.69	528,895,526	100.00
Unincorporated Nevada County	9,118,401,363	80.93	9,497,022,448	96.01
Unincorporated Yuba County	69,433,692	0.62	4,278,369,717	1.62
Total District	$11,266,432,324	100.00%		
Summary by County:				
Nevada County	$11,196,998,632	99.38%	$17,510,898,840	63.94
Yuba County	69,433,692	0.62	5,153,184,581	1.35
Total District	$11,266,432,324	100.00%		

Source: California Municipal Statistics, Inc.

Tax Levies, Collections and Delinquencies

The following tables show secured tax levies and delinquencies within the Counties, and amounts delinquent as of June 30, for fiscal years 2011-12 through 2015-16.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2011-12 through 2015-16
Nevada Joint Union High School District

NEVADA COUNTY

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2011-12	$179,457,815	$4,904,048	2.73%
2012-13	178,799,397	4,048,599	2.26
2013-14	180,938,975	3,887,716	2.15
2014-15	190,518,997	3,595,523	1.89
2015-16	199,729,405	2,891,059	1.45

YUBA COUNTY

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2011-12	$257,473,076	$4,060,812	1.58%
2012-13	257,660,788	3,200,500	1.24
2013-14	267,006,839	2,571,082	0.96
2014-15	279,229,983	2,648,748	0.95
2015-16	295,892,502	2,067,647	0.70

(1) All property taxes collected by the County. Source: California State Controller's Office.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment - "Teeter Plan"

Under 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 Section 4701 *et seq.*, each participating local agency levying property taxes, including community college districts, receives from its county the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the county receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency. The Teeter Plan, once adopted by a county, remains in effect unless the county board of supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year, the board of supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the county. A board of supervisors may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in the county when delinquencies for taxes levied by that agency exceed 3%.

The Teeter Plan applies to the 1% general purpose property tax levy. Whether or not the Teeter Plan also is applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of a local agency, varies by county.

Under the Teeter Plan, the county funds the District its full tax levy allocation rather than funding only actual collections (levy less delinquencies). In exchange, the county receives the interest and penalties that accrue on delinquent payments, when the late taxes are collected. Each of the Counties has adopted the Teeter Plan and include the District's general purpose secured property tax levy, however, only Nevada County includes the secured *ad valorem* tax levy for the District's general obligation bonds under the Teeter Plan. **Therefore, the receipt of property taxes within Yuba County with respect to the District's general obligation bonds, including the Bonds, are subject to delinquencies.**

Tax Rates

The following table summarizes the total *ad valorem* tax rates levied, as a percentage of assessed valuation, by all taxing entities in a typical tax rate area within the District during the five-year fiscal year period from 2012-13 to 2016-17.

SUMMARY OF *AD VALOREM* TAX RATES
Nevada Joint Union High School District
Typical Total Tax Rates
Fiscal Years 2012-13 through 2016-17
(TRA 68-005 and 72-001)

	2012-13	2013-14	2014-15	2015-16	2016-17
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Sierra Community College District SFID No. 2	.0235	.0150	.0283	.0244	.0232
Nevada Joint Union High School District	.0085	.0090	.0085	.0078	.0079
Total All Property Tax Rate	1.0320%	1.0240%	1.0368%	1.0322%	1.0311%

Source: California Municipal Statistics, Inc.

Principal Taxpayers

The more property (by assessed value) which is owned by a single taxpayer within the District, the greater amount of tax collections that are exposed to weaknesses in such a taxpayer's financial situation and ability or willingness to pay property taxes. The following table lists the 20 largest local secured taxpayers in the District in terms of their fiscal year 2016-17 secured assessed valuations. Each taxpayer listed below is a name listed on the tax rolls. The District cannot make any representation as to whether individual persons, corporations or other organizations are liable for tax payments with respect to multiple properties held in various names that in aggregate may be larger than is suggested by the table below.

20 LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2016-17
Nevada Joint Union High School District

	Property Owner	Primary Land Use	2016-17 Assessed Valuation	% of Total (1)
1.	Pine Creek Owner LLC	Commercial	$37,750,000	0.34%
2.	RI-Grass Valley LLC	Commercial	21,454,922	0.19
3.	Kenmawr-Nevada City LLC	Office Building	18,221,090	0.16
4.	GVSC LLC	Commercial	16,320,678	0.15
5.	VTR Quail Ridge LP	Rest Home	12,944,181	0.12
6.	Patricia Irish, Trustee	Industrial	12,311,275	0.11
7.	Gold Miners Inn LLC	Hotel	11,949,752	0.11
8.	Sierra Pacific Industries	Industrial	11,847,874	0.11
9.	3830 Bronx Blvd. Associates LLC	Commercial	10,345,144	0.09
10.	Mahogany Investments LLC	Commercial	9,291,906	0.08
11.	Grass Valley Glade MHP Associates LP	Mobile Home Park	9,233,000	0.08
12.	San Juan Mining Corp.	Industrial	9,199,180	0.08
13.	Nine Plus LLC	Commercial	9,090,995	0.08
14.	Fowler Center LLC	Commercial	9,045,633	0.08
15.	Loma Rica Ranch LLC	Industrial	8,396,361	0.08
16.	Longs Drug Stores California Inc.	Commercial	8,043,584	0.07
17.	Wendell C. Smith Family Holdings LLC	Commercial	7,832,618	0.07
18.	415 Sierra College Drive LLC	Rest Home	7,486,914	0.07
19.	Belden Inc.	Industrial	7,290,849	0.07
20.	James B. and Alma O. Conley	Commercial	7,289,378	0.07
			$245,345,334	2.22%

(1) The District has a fiscal year 2016-17 local secured assessed valuation of $11,074,613,011.
Source: California Municipal Statistics, Inc.

Statement of Direct and Overlapping Debt

Set forth on the following page is a direct and overlapping debt report (the "Debt Report") prepared by California Municipal Statistics, Inc., effective as of February 1, 2017 for debt issued as of February 1, 2017. The Debt Report is included for general information purposes only. The District has not reviewed the Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

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

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

STATEMENT OF DIRECT AND OVERLAPPING DEBT
Nevada Joint Union High School District

2016-17 Assessed Valuation: $11,266,432,324

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	**% Applicable**	**Debt 2/1/17**
Sierra Joint Community College District School Facilities Improvement District No. 2	100.000%	$30,516,054
Yuba Joint Community College District	0.242	390,183
Nevada Joint Union High School District	**100.000**	**11,583,701** (1)
City of Grass Valley 1915 Act Bonds	100.000	1,526,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$44,015,938
OVERLAPPING GENERAL FUND DEBT:		
Nevada County Certificates of Participation	63.943%	$1,828,770
Yuba County Certificates of Participation	1.347	259,999
Yuba County Board of Education Certificates of Participation	1.347	30,924
Sierra Joint Community College District Certificates of Participation	12.578	835,808
Yuba Joint Community College District	0.242	35,546
TOTAL OVERLAPPING GENERAL FUND DEBT		$2,991,047
OVERLAPPING TAX INCREMENT DEBT (Successor Agency):		$9,190,000
COMBINED TOTAL DEBT		$56,196,985 (2)

Ratios to 2016-17 Assessed Valuation:
Direct Debt ($11,583,701)..0.10%
Total Direct and Overlapping Tax and Assessment Debt.................0.39%
Combined Total Debt...0.50%

Ratio to Redevelopment Incremental Valuation ($228,767,272):
Total Overlapping Tax Increment Debt..4.02%

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

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Article XIIIA of the California Constitution

Article XIIIA ("Article XIIIA") of the State Constitution limits the amount of *ad valorem* property taxes on real property to 1% of "full cash value" as determined by the county assessor. Article XIIIA defines "full cash value" to mean "the county assessor's valuation of real property as shown on the 1975-76 bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed or a change in ownership has occurred after the 1975 assessment," subject to exemptions in certain circumstances of property transfer or reconstruction. Determined in this manner, the full cash value is also referred to as the "base year value." The "full cash value" is subject to annual adjustment to reflect increases, not to exceed 2% for any year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIIIA has been amended to allow for temporary reductions of assessed value in instances where the fair market value of real property falls below the adjusted base year value described above. Proposition 8—approved by the voters in November of 1978—provides for the enrollment of the lesser of the base year value or the market value of real property, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a similar decline. In these instances, the market value is required to be reviewed annually until the market value exceeds the base year value, adjusted for inflation. Reductions in assessed value could result in a corresponding increase in the annual tax rates levied by the Counties to pay debt service on the Bonds. See "THE BONDS – Security and Sources of Payment" and "TAX BASE FOR REPAYMENT OF BONDS" herein.

Article XIIIA requires a vote of two-thirds or more of the qualified electorate of a city, county, special district or other public agency to impose special taxes, while totally precluding the imposition of any additional *ad valorem*, sales or transaction tax on real property. Article XIIIA exempts from the 1% tax limitation any taxes above that level required to pay debt service (a) on any indebtedness approved by the voters prior to July 1, 1978, or (b) as the result of an amendment approved by State voters on June 3, 1986, on any bonded indebtedness approved by two-thirds or more of the votes cast by the voters for the acquisition or improvement of real property on or after July 1, 1978, or (c) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% or more of the votes cast on the proposition, but only if certain accountability measures are included in the proposition. The tax for payment of the Bonds falls within the exception described in (c) of the immediately preceding sentence. In addition, Article XIIIA requires the approval of two-thirds or more of all members of the legislature of the State (the "State Legislature") to change any State taxes for the purpose of increasing tax revenues.

Legislation Implementing Article XIIIA

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

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

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

Both the United States Supreme Court and the State Supreme Court have upheld the general validity of Article XIIIA.

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. Under the State Constitution, such property is assessed by the State Board of Equalization as part of a "going concern" rather than as individual pieces of real or personal property. Such State-assessed property is allocated to the counties by the State Board of Equalization, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

So long as the District is a basic aid district, taxes lost through any reduction in assessed valuation will not be compensated by the State as equalization aid under the State's school financing formula. See "DISTRICT FINANCIAL INFORMATION – State Funding of Education" herein.

Article XIIIB of the California Constitution

Article XIIIB ("Article XIIIB") of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. As amended, Article XIIIB defines:

(a) "change in the cost of living" with respect to school districts to mean the percentage change in State per capita income from the preceding year, and

(b) "change in population" with respect to a school district to mean the percentage change in the ADA of the school district from the preceding fiscal year.

For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year pursuant to the provisions of Article XIIIB, as amended.

The appropriations of an entity of local government subject to Article XIIIB limitations include the proceeds of taxes levied by or for that entity and the proceeds of certain state subventions to that entity. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to the entity from (a) regulatory licenses, user charges and user fees (but only to the extent that these proceeds exceed the reasonable costs in providing the regulation, product or service), and (b) the investment of tax revenues.

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for debt service such as the Bonds, (c) appropriations required to comply with certain mandates of the courts or the federal government, (d) appropriations of certain special districts, (e) appropriations for all qualified capital outlay projects as defined by the State Legislature, (f) appropriations derived from certain fuel and vehicle taxes and (g) appropriations derived from certain taxes on tobacco products.

Article XIIIB includes a requirement that all revenues received by an entity of government other than the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be returned by a revision of tax rates or fee schedules within the next two subsequent fiscal years.

Article XIIIB also includes a requirement that 50% of all revenues received by the State in a fiscal year and in the fiscal year immediately following it in excess of the amount permitted to be appropriated during that fiscal year and the fiscal year immediately following it shall be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution. See "— Propositions 98 and 111" herein.

Article XIIIC and Article XIIID of the California Constitution

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

According to the "Title and Summary" of Proposition 218 prepared by the State Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." Among other things, Article XIIIC establishes that every tax is either a "general tax" (imposed for general governmental purposes) or a "special tax" (imposed for specific purposes), prohibits special purpose government agencies such as school districts from levying general taxes, and prohibits any local agency from imposing, extending or increasing any special tax beyond its maximum authorized rate without a two-thirds vote; and also provides that the initiative power will not be limited in matters of reducing or repealing local taxes, assessments, fees and charges. Article XIIIC further provides that no tax may be assessed on property other than *ad valorem* property taxes imposed in accordance with Articles XIII and XIIIA of the State Constitution and special taxes approved by a two-thirds vote under Article XIIIA, Section 4. Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity.

Propositions 98 and 111

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

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

Since the Accountability Act is unclear in some details, there can be no assurances that the State Legislature or a court might not interpret the Accountability Act to require a different percentage of State general fund revenues to be allocated to K-14 school districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the State budget.

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

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

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in State per capita personal income. The definition of "change in population" specifies that a portion of the State's spending limit is to be adjusted to reflect changes in school attendance.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the minimum funding level for such districts. Also, reversing prior law, any excess State tax revenues transferred to K-14 school districts are not built into K-14 school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit is not to be increased by this amount.

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

d. Recalculation of Appropriations Limit. The Article XIIIB appropriations limit for each unit of government, including the State, is to be recalculated beginning in fiscal year 1990-91. It is based on the actual limit for fiscal year 1986-87, adjusted forward to 1990-91 as if Proposition 111 had been in effect.

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1)

40.9% of State general fund revenues ("Test 1") or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to per capita personal income) and enrollment ("Test 2"). Under Proposition 111, schools will receive the greater of (1) Test 1, (2) Test 2, or (3) a third test ("Test 3"), which will replace Test 2 in any year when growth in per capita State general fund revenues from the prior year is less than the annual growth in the State per capita personal income. Under Test 3, K-14 school districts will receive the amount appropriated in the prior year adjusted for change in enrollment and per capita State general fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, State voters approved an amendment (commonly known as Proposition 39) to the State Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the State Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the State Constitution previously limited property taxes to 1% of the value of property. 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 placed certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate projected to be levied as the result of any single election be no more than $60 (for a unified school district, such as the District), $30 (for a high school or elementary school district), or $25 (for a community college district) per $100,000 of taxable property value, when assessed valuation is projected to increase in accordance with Article XIIIA of the State Constitution. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the State Legislature and approval by the Governor. See "- Article XIIIA of the California Constitution" herein.

Proposition 1A and Proposition 22

On November 2, 2004, State voters approved Proposition 1A, which amends the State Constitution to significantly reduce the State's authority over major local government revenue sources. Under Proposition 1A, the State cannot (i) reduce local sales tax rates or alter the method of allocating the revenue generated by such taxes, (ii) shift property taxes from local governments to schools or community colleges, (iii) change how property tax revenues are shared among local governments without two-third approval of both houses of the State Legislature or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also amends the State Constitution to require the State to suspend certain State laws creating mandates in any year that the State does not fully reimburse local governments for their costs to comply with the mandates. This provision does not apply to mandates relating to schools or community colleges or to those mandates relating to employee rights.

Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, prohibits the State from enacting new laws that require redevelopment agencies to shift funds to schools or other agencies and eliminates the State's authority to shift property taxes temporarily during a severe financial hardship of the State. In addition, Proposition 22 restricts the State's authority to use State fuel tax revenues to pay debt service on state transportation bonds, to borrow or change the distribution of state fuel tax revenues, and to use vehicle license fee revenues to reimburse local governments for state mandated costs. Proposition 22 impacts resources in the State's general fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to an analysis of Proposition 22 submitted by the Legislative Analyst's Office (the "LAO") on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 was projected to be approximately $1 billion in fiscal year 2010-11, with an estimated immediate fiscal effect equal to approximately 1% of the State's total general fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, was expected to be an increase in the State's general fund costs by approximately $1 billion annually for several decades. See also "DISTRICT FINANCIAL INFORMATION – State Dissolution of Redevelopment Agencies" herein.

Jarvis vs. Connell

On May 29, 2002, the State Court of Appeal for the Second District decided the case of *Howard Jarvis Taxpayers Association, et al. v. Kathleen Connell* (as Controller of the State). The Court of Appeal held that either a final budget bill, an emergency appropriation, a self-executing authorization pursuant to state statutes (such as continuing appropriations) or the State Constitution or a federal mandate is necessary for the State Controller to disburse funds. The foregoing requirement could apply to amounts budgeted by the District as being received from the State. To the extent the holding in such case would apply to State payments reflected in the District's budget, the requirement that there be either a final budget bill or an emergency appropriation may result in the delay of such payments to the District if such required legislative action is delayed, unless the payments are self-executing authorizations or are subject to a federal mandate. On May 1, 2003, the State Supreme Court upheld the holding of the Court of Appeal, stating that the Controller is not authorized under State law to disburse funds prior to the enactment of a budget or other proper appropriation, but under federal law, the Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those State employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act.

Propositions 30 and 55

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increased the State Sales and Use Tax and personal income tax rates on higher incomes. 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 $300,001 for single filers (over $500,000 but less than $600,001 for joint filers and over $340,000 but less than $408,001 for head-of-household filers), (ii) 2% for taxable income over $300,000 but less than $500,001 for single filers (over $600,000 but less than $1,000,001 for joint filers and over $408,000 but less than $680,001 for head-of-household filers), and (iii) 3% for taxable income over $500,000 for single filers (over $1,000,000 for joint filers and over $680,000 for head-of-household filers).

The California Children's Education and Health Care Protection Act of 2016 (also known as "Proposition 55") is a constitutional amendment approved by the voters of the State on November 8, 2016. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Proposition 55 did not extend the temporary State Sales and Use Tax rate increase enacted under Proposition 30, which expired as of January 1, 2017.

The revenues generated from the personal income tax increases will be included in the calculation of the Proposition 98 Minimum Funding Guarantee (defined herein) for school districts and community college districts. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Propositions 98 and 111" herein. From an accounting perspective, the revenues generated from the personal income tax increases are being deposited into the State account created pursuant to Proposition 30 called the Education Protection Account (the "EPA"). Pursuant to Proposition 30, funds in the EPA will be allocated quarterly, with 89% of such funds provided to schools districts and 11% provided to community college districts. The funds will be distributed to school districts and community college districts in the same manner as existing unrestricted per-student funding, except that no school district will receive less than $200 per unit of ADA and no community college district will receive less than $100 per full time equivalent student. The governing board of each school district and community college district is granted sole authority to determine how the moneys received from the EPA are spent, provided that the appropriate governing board is required to make these spending determinations in open session at a public meeting and such local governing board is prohibited from using any funds from the EPA for salaries or benefits of administrators or any other administrative costs.

Proposition 2

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

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

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

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

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

Proposition 51

The Kindergarten Through Community College Public Education Facilities Bond Act of 2016 (also known as Proposition 51) is a voter initiative that was approved by voters on November 8, 2016. Proposition 51 authorizes the sale and issuance of $9 billion in general obligation bonds for the new construction and modernization of K-14 facilities.

K-12 School Facilities. Proposition 51 includes $3 billion for the new construction of K-12 facilities and an additional $3 billion for the modernization of existing K-12 facilities. K-12 school districts will be required to pay for 50% of the new construction costs and 40% of the modernization costs with local revenues. If a school districts lack sufficient local funding, it may apply for additional state grant funding, up to 100% of the project costs. In addition, a total of $1 billion will be available for the modernization and new construction of charter school ($500 million) and technical education ($500 million) facilities. Generally, 50% of modernization and new construction project costs for charter school and technical education facilities must come from local revenues. However, schools that cannot cover their local share for these two types of projects may apply for state loans. State loans must be repaid over a maximum of 30 years for charter school facilities and 15 years for career technical education facilities. For career technical education facilities, state grants are capped at $3 million for a new facility and $1.5 for a modernized facility. Charter schools must be deemed financially sound before project approval.

Community College Facilities. Proposition 51 includes $2 billion for community college district facility projects, including buying land, constructing new buildings, modernizing existing buildings, and purchasing equipment. In order to receive funding, community college districts must submit project proposals to the Chancellor of the community college system, who then decides which projects to submit to the State legislature and Governor based on a scoring system that factors in the amount of local funds contributed to the project. The Governor and State legislature will select among eligible projects as part of the annual state budget process.

The District makes no representation that it will either pursue or qualify for Proposition 51 State facilities funding.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 22, 26, 30, 39, 98, 51 and 55 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the District's general fund finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the Counties on taxable property within the District in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

State Funding of Education

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

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

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

AVERAGE DAILY ATTENDANCE AND REVENUE LIMIT
Fiscal Years 2008-09 through 2012-13
Nevada Joint Union High School District

Fiscal Year	Average Daily Attendance(1)	% Change	ADA Base Revenue Limit(2)	Deficit Revenue Limit Per ADA(2)
2008-09	3,578	--	$7,048	$6,495
2009-10	3,487	(2.54)%	7,348	5,746
2010-11	3,368	(3.41)	7,319	6,004
2011-12	3,172	(5.82)	7,486	5,944
2012-13	3,053	(3.75)	7,729	6,007

(1) Reflects ADA as of the second principal reporting period ("P-2 ADA"), which ends on or before the last attendance month prior to April 15 of each school year. An attendance month is each four week period of instruction beginning with the first day of school for any school district.
(2) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in fiscal year 2008-09, and discontinued following the implementation of the LCFF (as defined herein).
Source: Nevada Joint Union High School District.

Local Control Funding Formula. State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97"), enacted as part of the fiscal year 2013-14 State budget, established a new system for funding school districts, charter schools and county offices of education. Certain provisions of AB 97 were amended and clarified by Senate Bill 91 (Stats. 2013, Chapter 49) ("SB 91").

The primary component of AB 97, as amended by SB 91, was the implementation of the Local Control Funding Formula ("LCFF"), which replaced the revenue limit funding system for determining State apportionments, as well as the majority of State categorical program funding. State allocations are provided on the basis of target base funding grants per unit of ADA (a "Base Grant") assigned to each of four grade spans. Each Base Grant is subject to certain adjustments and add-ons, as discussed below. Full implementation of the LCFF is expected to occur over a period of several fiscal years. Beginning in fiscal year 2013-14, an annual transition adjustment is required to be calculated for each school district, equal to such district's proportionate share of appropriations included in the State budget to close the gap between the prior-year funding level and the target allocation following full implementation of the LCFF. In each year, school districts will have the same proportion of their respective funding gaps closed, with dollar amounts varying depending on the size of a district's funding gap.

The Base Grants per unit of ADA for each grade span are as follows: (i) $6,845 for grades K-3; (ii) $6,947 for grades 4-6; (iii) $7,154 for grades 7-8; and (iv) $8,289 for grades 9-12. Beginning in fiscal year 2013-14, and in each subsequent year, the Base Grants are to be adjusted for COLAs by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among Base Grants are linked to differentials in statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. See "—State Budget Measures" herein for information on the adjusted Base Grants provided by current State budgetary legislation.

The Base Grants for grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in early grades and the provision of career technical education in high schools. Following full implementation of the LCFF, and unless otherwise collectively bargained for, school districts serving students in grades K-3 must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site in order to continue receiving the adjustment to the K-3 Base Grant. Such school districts must also make progress towards this class size reduction goal in proportion to the growth in their funding over the implementation period. Additional add-ons are also provided to school districts that received categorical block grant funding pursuant to the Targeted Instructional Improvement and Home-to-School Transportation programs during fiscal year 2012-13.

School districts that serve students of limited English proficiency ("EL" students), students from low income families who are eligible for free or reduced priced meals ("LI" students) and foster youth are eligible to receive additional funding grants. Enrollment counts are unduplicated, such that students may not be counted as both EL and LI (foster youth automatically meet the eligibility requirements for free or reduced priced meals, and are therefore not discussed separately herein). A supplemental grant add-on (each, a "Supplemental Grant") is authorized for school districts that serve EL/LI students, equal to 20% of the applicable Base Grant multiplied by such district's percentage of unduplicated EL/LI student enrollment. School districts whose EL/LI populations exceed 55% of their total enrollment are eligible for a concentration grant add-on (each, a "Concentration Grant") equal to 50% of the applicable Base Grant multiplied by the percentage of such district's unduplicated EL/LI student enrollment in excess of the 55% threshold.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2012-13 through 2015-16 and a projected amount for fiscal year 2016-17.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2012-13 through 2016-17
Nevada Joint Union High School District

	Average Daily Attendance[1]		Enrollment[2]	
Fiscal Year	**9-12**	**Total ADA**	**Total Enrollment**	**% of EL/LI Enrollment**
2012-13	3,053	3,053	3,285	n/a
2013-14	2,909	2,909	3,146	35.28%
2014-15	2,705	2,705	2,898	33.70
2015-16	2,585	2,585	2,807	34.88
2016-17	2,476[4]	2,476[4]	2,689	35.14

(1) Except for fiscal year 2016-17, reflects P-2 ADA, which ends on or before the last attendance month prior to April 15 of each school year. An attendance month is equal to each four-week period of instruction beginning with the first day of school for a particular school district.

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

(3) The District did not calculate the EL/LI student enrollment prior to the implementation of the LCFF in fiscal year 2013-14.

(4) Projected.

Source: Nevada Joint Union High School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the LCFF implementation period. The District does not qualify for the ERT add-on.

The sum of a school district's adjusted Base, Supplemental and Concentration Grants will be multiplied by such district's P-2 ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with any applicable ERT or categorical block grant add-ons, will yield a district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and such district's share of applicable local property taxes. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues may significantly affect appropriations made by the State Legislature to school districts.

Basic Aid. Certain schools districts, known as "basic aid" districts and including the District, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. The District currently qualifies as a basic aid district and expects to remain a basic aid district after the LCFF is fully implemented.

For fiscal year 2015-16, the District's local property tax receipts exceeded the District's total LCFF allocation by $1,607,276 and the District projects that local property tax receipts will exceed the District's total LCFF allocation by $2,570,809 in fiscal year 2016-17. However, since the District is the sponsoring local educational agency for a charter school within the boundaries of the District, the District is responsible for making monthly "in lieu" payments to a District sponsored charter school based on the charter school's ADA. Included in the charter school ADA are students that do not live within the boundaries of the District, and therefore the District is carrying the cost of educating other school district's students ("Intra District ADA"). Unlike LCFF funded District's, which recoup 100% of the loss of property taxes for such Intra District ADA through state aid, Basic Aid districts, like the District, are only reimbursed by the State for 70% of loss of such revenues. The District is projected to receive $1,258,102 in additional State aid in recognition of the basic aid status and in lieu property tax transfer for fiscal year 2016-17.

Accountability. Regulations adopted by the State Board of Education require that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, and detail the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

School districts are also required to adopt local control and accountability plans ("LCAPs") disclosing annual goals for all students, as well as certain numerically significant student subgroups, to be achieved in eight areas of State priority identified by the LCFF. LCAPs may also specify additional local priorities. LCAPs must specify the actions to be taken to achieve each goal, including actions to correct identified deficiencies with regard to areas of State priority. LCAPs are required to be adopted every three years, beginning in fiscal year 2014-15, and updated annually thereafter. The State Board of Education has developed and adopted a template LCAP for use by school districts.

Support and Intervention. AB 97, as amended by SB 91, establishes a new system of support and intervention to assist school districts in meeting the performance expectations outlined in their respective LCAPs. School districts must adopt their LCAPs (or annual updates thereto) in tandem with their annual operating budgets, and not later than five days thereafter submit such LCAPs or updates to their respective county superintendents of schools. On or before August 15 of each year, a county superintendent may seek clarification regarding the contents of a district's LCAP (or annual update thereto), and the district is required to respond to such a request within 15 days. Within 15 days of receiving such a response, the county superintendent can submit non-binding recommendations for amending the LCAP or annual update, and such recommendations must be considered by the respective school district at a public hearing within 15 days. A district's LCAP or annual update must be approved by the county superintendent by October 8 of each year if the superintendent determines that (i) the LCAP or annual update adheres to the State template, and (ii) the district's budgeted expenditures are sufficient to implement the actions and strategies outlined in the LCAP.

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its applicable county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district with identifying and implementing programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts with achieving the goals set forth in their LCAPs. The State Board of Education has developed rubrics to assess school district performance and the need for support and intervention.

The State Superintendent of Public Instruction (the "State Superintendent") is further authorized, with the approval of the State Board of Education, to intervene in the management of persistently underperforming school districts. The State Superintendent may intervene directly or assign an academic trustee to act on his or her behalf. In so doing, the State Superintendent is authorized to (i) modify a district's LCAP, (ii) impose budget revisions designed to improve student outcomes, and (iii) stay or rescind actions of the local governing board that would prevent such district from improving student outcomes; provided, however, that the State Superintendent is not authorized to rescind an action required by a local collective bargaining agreement.

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

Other Revenue Sources

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

Developer Fees. The District maintains a fund, separate and apart from the general fund, to account for developer fees collected by the District. The table below sets forth the developer fees collected by the District during the last 10 fiscal years and a projection for the current fiscal year.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
Annual Developer Fees Collections
Fiscal Years 2006-07 through 2016-17

Fiscal Year	Developer Fees for the District
2006-07	$738,360
2007-08	545,356
2008-09	297,269
2009-10	193,200
2010-11	185,455
2011-12	138,573
2012-13	182,695
2013-14	383,833
2014-15	349,746
2015-16	372,812
2016-17[1]	372,000

[1] Projected.
Source: Nevada Joint Union High School District.

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Redevelopment Revenue. Redevelopment Revenue. The District previously received tax offset revenue from the County as a part of certain redevelopment projects within the County (the "Tax Offset Revenues"). The Tax Offset Revenues received are deposited directly into the general fund of the District and offset the State apportionment received by the District. The District also receives pass-through tax increment revenue (the "Pass-Through Revenues") from the redevelopment agencies within the District's boundaries. The Pass-Through Revenues received by the District are deposited into the District's Special Reserve for Capital Projects Fund, and used for facilities improvements. The Pass-Through Revenues do not offset the State apportionment received by the District. The amount of Tax Offset Revenues and Pass-Through Revenues received by the District from fiscal years 2012-13 through 2015-16 and a projection for fiscal year 2016-17 are shown in the following table.

TAX OFFSET AND PASS-THROUGH REVENUES
Fiscal Years 2012-13 through 2016-17
Nevada Joint Union High School District

Fiscal Year	Tax Offset Revenues(1)	Pass-Through Revenues(2)
2012-13	$54,022	--(3)
2013-14	74,055	$36,145
2014-15	158,275	228,855(3)
2015-16	142,430	38,633
2016-17(4)	156,734	--

(1) Tax Offset Revenues received offset State apportionments received by the District.
(2) Pass-Through Revenues received do not offset State apportionments received by the District.
(3) In fiscal year 2012-13, the County segregated $192,251.09, resulting from the liquidation of the assets of a former redevelopment agency within the boundaries of the District and earmarked it for receipt by the District. However, there were legal proceedings regarding the ultimate disposition of these funds which delayed receipt of those funds until fiscal year 2014-15.
(4) Projected.
Source: Nevada Joint Union High School District.

The District, however, can make no representations that Redevelopment Revenues will continue to be received by the District in amounts consistent with prior years, or as currently projected, particularly in light of the legislation eliminating redevelopment agencies. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. The Bonds, however, are not payable from such revenue. The Bonds are payable solely from the proceeds of an *ad valorem* tax required to be levied by the Counties in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the State Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABX1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all redevelopment agencies in the State ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABX1 27, a companion bill to ABX1 26, violated the State Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABX1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide.

ABX1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution

Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legal binding and enforceable obligations, and certain other obligations.

Among the various types of enforceable obligations, the first priority for payment is tax allocation bonds issued by the former redevelopment agency; second is revenue bonds, which may have been issued by the host city, but only where the tax increment revenues were pledged for repayment and only where other pledged revenues are insufficient to make scheduled debt service payments; third is administrative costs of the Successor Agency, not to exceed $250,000 in any year, to the extent such costs have been approved in an administrative budget; then, fourth tax revenues in the Trust Fund in excess of such amounts, if any, will be allocated as residual distributions to local taxing entities in the same proportions as other tax revenues. Moreover, all unencumbered cash and other assets of former redevelopment agencies will also be allocated to local taxing entities in the same proportions as tax revenues. Notwithstanding the foregoing portion of this paragraph, the order of payment is subject to modification in the event a Successor Agency timely reports to the State Controller and the State Department of Finance that application of the foregoing will leave the Successor Agency with amounts insufficient to make scheduled payments on enforceable obligations. If the county auditor-controller verifies that the Successor Agency will have insufficient amounts to make scheduled payments on enforceable obligations, it shall report its findings to the State Controller. If the State Controller agrees there are insufficient funds to pay scheduled payments on enforceable obligations, the amount of such deficiency shall be deducted from the amount remaining to be distributed to taxing agencies, as described as the fourth distribution above, then from amounts available to the Successor Agency to defray administrative costs. In addition, if a taxing agency entered into an agreement pursuant to Health and Safety Code Section 33401 for payments from a redevelopment agency under which the payments were to be subordinated to certain obligations of the redevelopment agency, such subordination provisions shall continue to be given effect.

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

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

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

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

Budget Process

State Budgeting Requirements. The District is required by provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. Additional amendments to the budget process were made by Assembly Bill 2585, effective as of September 9, 2014, including the elimination of the dual budget cycle option for school districts. All school districts must now be on a single budget cycle.

School districts must adopt a budget on or before July 1 of each year. The budget must be submitted to the county superintendent within five days of adoption or by July 1, whichever occurs first. The county superintendent will examine the adopted budget for compliance with the standards and criteria adopted by the State Board of Education and identify technical corrections necessary to bring the budget into compliance, and will determine if the budget allows the district to meet its current obligations, if the budget is consistent with a financial plan that will enable the district to meet its multi-year financial commitments, whether the budget includes the expenditures necessary to implement a LCAP, and whether the budget's ending fund balance exceeds the minimum recommended reserve for economic uncertainties.

On or before September 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district board must be notified by September 15 of the county superintendent's recommendations for revision and reasons for the recommendations. The county superintendent may assign a fiscal advisor or appoint a committee to examine and comment on the superintendent's recommendations. The committee must report its findings no later than September 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than October 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

A school district whose budget has been disapproved must revise and readopt its budget by September 8, reflecting changes in projected income and expense since July 1, including responding to the county superintendent's recommendations. The county superintendent must determine if the budget conforms with the standards and criteria applicable to final school district budgets and not later than November 8, must approve or disapprove the revised budgets. If the budget is disapproved, the county superintendent will call for the formation of a budget review committee pursuant to Education Code Section 42127.1. No later than November 8, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget has been disapproved. Until a school district's budget is approved, the school district will operate on the lesser of its proposed budget for the current fiscal year or the last budget adopted and reviewed for the prior fiscal year.

Interim Financial Reporting. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or the two subsequent fiscal years.

The District has never had an adopted budget disapproved by the County Superintendent of Schools. Within the past five years, the District designated, and the County Superintendent of Schools accepted, a "qualified" designation on its second interim financial report for fiscal year 2011-12. All interim reports since such time have been submitted with a "positive" certification.

Budgeting Trends. The table on the following page summarizes the District's general fund adopted budgets for fiscal years 2013-14 through 2016-17, audited ending results for fiscal years 2013-14 through 2015-16, and projected totals for fiscal year 2016-17.

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GENERAL FUND BUDGETING
Fiscal Years 2012-13 through 2016-17
Nevada Joint Union High School District

	Fiscal Year 2012-13		Fiscal Year 2013-14		Fiscal Year 2014-15		Fiscal Year 2015-16		Fiscal Year 2016-17	
	Budgeted[1]	Audited[1]	Budgeted[1]	Audited[1]	Budgeted[1]	Audited[1]	Budgeted[1]	Audited[1]	Budgeted[2]	Projected[2]
Revenues:										
LCFF/Revenue Limit Sources[3]:										
State apportionments	$3,170,767	$4,953,325	$5,448,482	$9,966,049	$10,616,128	$9,865,115	$11,683,427	$8,967,693	$10,117,400	$9,614,411
Local sources	14,791,697	14,392,528	14,046,364	12,888,512	12,887,842	13,891,495	13,048,736	15,860,155	15,035,081	16,904,505
Total revenue limit	17,962,464	19,345,853	19,494,846	22,854,561	23,503,970	23,756,610	24,732,163	24,827,848	25,152,481	26,518,916
Federal	1,419,624	1,505,037	1,458,378	1,528,248	1,449,777	1,601,644	1,546,440	1,735,313	1,766,171	1,969,938
Other state	3,928,372	4,287,264	4,175,574	1,850,555	1,025,407	2,083,108	1,665,260	3,812,823	2,215,109	3,301,599
Other local	2,521,450	2,653,013	2,487,682	2,809,550	2,944,640	2,845,154	2,656,155	2,518,092	2,527,736	2,624,398
Total revenues	25,831,910	27,791,167	27,616,480	29,042,914	28,923,794	30,286,516	30,600,018	32,894,076	31,661,497	34,414,852
Expenditures:										
Certificated salaries	13,422,180	13,293,638	13,084,758	13,008,885	12,988,778	12,591,026	12,695,417	13,353,506	13,564,336	13,746,306
Classified salaries	4,487,240	4,794,198	4,713,310	4,946,363	4,782,323	4,898,193	5,045,048	5,074,871	5,566,238	5,532,382
Employee benefits	5,896,214	6,281,971	5,915,719	5,590,998	6,310,847	6,731,575	6,088,734	6,764,509	6,441,625	7,263,821
Books and supplies	1,178,035	856,593	1,256,567	932,971	1,600,212	988,215	1,312,719	1,445,841	1,470,872	1,881,778
Contracted services and other operating expenditures	3,849,054	4,494,550	3,785,111	4,446,071	4,076,316	4,437,251	4,234,978	4,667,963	4,605,953	4,803,920
Capital outlay	5,000	8,419	5,000	226,898	5,000	68,621	40,000	111,846	17,000	129,003
Other outgo[4]	27,536	20,389	19,167	287,170	1,724	294,071	290,248	298,505	374,804	378,162
Debt Service:										
Principal retirement	--	--	--	--	--	--	--	21,337	--	--
Interest	--	--	--	--	--	--	--	--	--	--
Total expenditures	28,865,259	29,749,758	28,779,632	29,439,356	29,765,200	30,008,952	29,707,144	31,738,378	32,040,829	33,735,373
Excess (Deficiency) of revenues over (under) Expenditures	(3,033,349)	(1,958,591)	(1,163,152)	(396,442)	(841,406)	277,564	892,874	1,155,698	(379,331)	679,479
Other Financing Sources (Uses):										
Operating transfers in	199,060	204,537	311,301	154,860	(25,520)	6,802	--	6,006	416,177	416,177
Other Sources	--	--	--	--	--	67,567	--	--	--	--
Contributions	--	--	--	--	--	--	--	--	--	--
Operating transfers out	(165,197)	(209,195)	(303,590)	(103,589)	(303,589)	(361,365)	(253,690)	(256,923)	(363,321)	(363,321)
Total other financing sources (uses)	33,863	(4,658)	7,711	51,271	(329,109)	(286,996)	(253,690)	(250,917)	52,856	52,855
Net change in fund balance	(2,999,486)	(1,963,249)	(1,155,441)	(345,171)	(1,170,515)	(9,432)	639,184	904,781	(326,475)	732,335
Fund balance, July 1	8,159,064	8,159,064	6,195,815	6,195,815	5,805,774	5,850,644	4,753,006	5,841,212	5,292,518[5]	5,315,776[5]
Fund balance, June 30	$5,159,578	$6,195,815	$5,040,374	$5,850,644	$4,635,259	$5,841,212	$5,392,190	$6,745,993	$4,966,043	$6,048,110

Note: Numbers rounded to nearest whole dollar.

(1) From the District's Comprehensive Audited Financial Statements for fiscal years 2012-13 through 2015-16, respectively.

(2) From the District's Second Interim Financial Report for fiscal year 2016-17, approved by the Board on March 8, 2017.

(3) Prior to fiscal year 2013-14, this category was revenue limit sources. In fiscal year 2013-14, this category became LCFF sources. See "– State Funding of Education – Local Control Funding Formula" herein.

(4) Combines the categories of "Other Outgo (excluding Transfers of Indirect Costs)" and "Other Outgo – Transfers of Indirect Costs" for presentation purposes.

(5) Beginning fund balance excludes Fund 17 (Special Reserve Fund for Other than Capital Outlay Projects) and Fund 20 (Special Reserve Fund for Post-Employment Benefits).

Source: Nevada Joint Union High School 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 State Education Code, is to be followed by all State school districts.

The District's 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. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. 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 District's 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 type of fund. The District's fiscal year begins on July 1 and ends on June 30.

Comparative Financial Statements

Audited financial statements for the District for the fiscal year ended June 30, 2016 and prior fiscal years are on file with the District and available for public inspection at the Office of the Superintendent of the District, 11645 Ridge Road, Grass Valley, California 95945, telephone: (530) 273-3351. The audited financial statements for the year ended June 30, 2016 are attached hereto as APPENDIX B.

The table on the following page reflects the District's audited general fund revenues, expenditures and fund balances from fiscal year 2011-12 through fiscal year 2015-16.

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AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCE[1]
Fiscal Years 2011-12 through 2015-16
Nevada Joint Union High School District

	Fiscal Year 2011-12	Fiscal Year 2012-13	Fiscal Year 2013-14	Fiscal Year 2014-15	Fiscal Year 2015-16
REVENUES					
Local Control Funding Formula/Revenue Limit Sources[1]					
State Apportionments	$5,721,092	$4,953,325	$9,966,049	$9,865,115	$8,967,693
Local Sources	14,684,204	14,392,528	12,888,512	13,891,495	15,860,155
Total Revenue Limit Sources	20,405,296	19,345,853	22,854,561	23,756,610	24,827,848
Federal Revenues	2,254,280	1,505,037	1,528,248	1,601,644	1,735,313
Other State Revenues	3,968,920	4,287,264	1,850,555	2,083,108	3,812,823
Other Local Revenues	3,437,790	2,653,013	2,809,550	2,845,154	2,518,092
TOTAL REVENUES	30,066,286	27,791,167	29,042,914	30,286,516	32,894,076
EXPENDITURES					
Current Expenditures					
Certificated Salaries	13,553,951	13,293,638	13,008,885	12,591,026	13,353,506
Classified Salaries	4,760,668	4,794,198	4,946,363	4,898,193	5,074,871
Employee Benefits	6,539,662	6,281,971	5,590,998	6,731,575	6,764,509
Books and Supplies	1,203,009	856,593	932,971	988,215	1,445,841
Services and Operating Expenditures	4,386,566	4,494,550	4,446,071	4,437,251	4,667,963
Capital Outlay	102,962	8,419	226,898	68,621	111,846
Other Outgo	16,854	20,389	287,170	294,071	298,505
Debt Service					
Principal	--	--	--	--	21,337
Interest	--	--	--	--	--
TOTAL EXPENDITURES	30,563,672	29,749,758	29,439,356	30,008,952	31,738,378
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	(497,386)	(1,958,591)	(396,442)	277,564	1,155,698
OTHER FINANCING SOURCES/(USES)					
Operating transfers in	206,079	204,537	154,860	6,802	6,006
Other sources – Energy Loan	--	--	--	67,567	--
Operating transfers out	(347,805)	(209,195)	(103,589)	(361,365)	(256,923)
OTHER FINANCING SOURCES/(USES)	(141,726)	(4,658)	51,271	(286,996)	(250,917)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER/(UNDER) EXPENDITURES AND OTHER USES	(639,112)	(1,963,249)	(345,171)	(9,432)	904,781
FUND BALANCE, BEGINNING OF YEAR[2]	8,798,176	8,159,064	6,195,815	5,850,644	5,841,212
FUND BALANCE, AT END OF YEAR	$8,159,064	$6,195,815	$5,850,644	$5,841,212	$6,745,993

[1] Prior to fiscal year 2013-14, this category was revenue limit sources. In fiscal year 2013-14, this category became Local Control Funding Formula sources. See "– State Funding of Education – Local Control Funding Formula" herein.
[2] Beginning in fiscal year 2010-11, the Fund 17 (Special Reserve Fund for Other than Capital Outlay Projects) and Fund 20 (Special Reserve Fund for Post-Employment Benefits) are consolidated into the general fund.to conform to GASB Statement No. 54.
Source: Nevada Joint Union High School District.

State Budget Measures

The following information concerning the State's budgets has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. Furthermore, it should not be inferred from the inclusion of this information herein that the principal of or interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the proceeds of an ad valorem *property tax required to be levied by the Counties on taxable property within the District in an amount sufficient for the payment thereof.*

2016-17 Budget. On June 27, 2016, the Governor signed into the law the State budget for fiscal year 2016-17 (the "2016-17 Budget"). The following information is drawn from the Department of Finance's summary of the 2016-17 Budget and the LAO's preliminary review of the 2016-17 Budget.

The 2016-17 Budget projects, for fiscal year 2015-16, total general fund revenues and transfers of \$117 billion and total expenditures of \$115.6 billion. The State is projected to end the 2015-16 fiscal year with total available reserves of \$7.3 billion, including \$3.9 billion in the traditional general fund reserve and \$3.4 billion in the BSA. For fiscal year 2016-17, the 2016-17 Budget projects a growth in State general fund revenues driven primarily by total general fund revenues of \$120.3 billion and authorizes expenditures of \$122.5 billion. The State is projected to end the 2016-17 fiscal year with total available reserves of \$8.5 billion, including \$1.8 billion in the traditional general fund reserve and \$6.7 billion in the BSA.

As a result of higher general fund revenue estimates for fiscal years 2015-16 and 2016-17, and after accounting for expenditures controlled by constitutional funding requirements such as Proposition 2 and Proposition 98, the 2016-17 Budget allocates over \$6 billion in discretionary funding for various purposes. These include (i) additional deposits of \$2 billion to the BSA (reflected in the discussion above) and \$600 million to the State's discretionary budget reserve fund, (ii) approximately \$2.9 billion in one-time funding for various purposes including infrastructure, affordable housing and public safety programs, and (iii) \$700 million in on-going funding commitments for higher education (California State University and the University of California systems), corrections and rehabilitation and State courts.

As required by Proposition 2, the 2016-17 Budget applies \$1.3 billion towards the repayment of existing State liabilities, including loans from special funds, State and University of California pension and retiree health benefits and settle-up payments to K-14 school districts resulting from an underfunding of the Proposition 98 minimum funding guarantee in a prior fiscal year.

With respect to education funding, the 2016-17 Budget revises the Proposition 98 minimum funding guarantees for both fiscal years 2014-15 and 2015-16, as a result of increased revenue estimates. The 2016-17 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2016-17 at \$71.9 billion, an increase of \$2.8 billion over the revised level from the prior fiscal year. With respect to K-12 education, the share of the minimum funding guarantee is \$62.5 billion, including \$44.5 billion from the State general fund and \$18.1 billion from local property tax collections. Significant features with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – \$2.9 billion of Proposition 98 funding to continue the implementation of the LCFF. This reflects a 5.7% increase from the prior year, and is estimated to close the remaining funding implementation gap between the prior year and the LCFF target levels by approximately 54%. As a result, the 2016-17 Budget projects total LCFF implementation to be at 96% during fiscal year 2016-17.

- *Discretionary Funding* – $1.3 billion in additional one-time funding that local educational agencies may use for any purpose. Funding will be distributed based on ADA. While funding is intended to reduce the backlog of unpaid reimbursement claims for State-mandated activities, the 2016-17 Budget estimates that most local educational agencies do not have such unpaid claims, and that only $617 million of the total funding will be used for this purpose.

- *Maintenance Factor* – The 2016-17 Budget assumes the creation of a new maintenance factor of $746 million in fiscal year 2016-17, created by the difference in growth in per capita State general fund revenues and growth in State per capita personal income.

- *College Readiness* – $200 million in one-time Proposition 98 funding to fund a block grant for school districts and charter schools serving high school students. Funds are intended to provide additional services that support access and successful transition to higher education. Allocation of the funding will be based on the number of students in grades 9 through 12 that are English-learners, low-income or foster youth, with no district or charter school receiving less than $75,000. The 2016-17 Budget also provides $15 million in one-time Proposition 98 grant funding to support coordinated student outreach by local educational agencies and community college districts aimed at increasing college preparation, access, and success.

- *Career Technical Education (CTE)* – The State Budget for fiscal year 2015-16 established the Career Technical Education Incentive Grant Program for local education agencies to establish new or expand high-quality CTE programs, and provided $400 million in fiscal year 2015-16 to fund the program. The 2016-17 Budget provides $300 million in second-year funding for this program.

- *Charter Schools* – An increase of $20 million in one-time Proposition 98 funding to support startup costs for new charter schools in 2016 and 2017. The funds are intended to offset the loss of previously available federal funding.

- *Support Systems* – $20 million in one-time Proposition 98 funding to assist local educational agencies provide academic, behavioral, social and emotional student support services.

- *Truancy and Dropout Prevention* – Proposition 47, approved by voters in November 2014, reduces penalties for certain non-serious and non-violent property and drug offenses, and requires that a portion of State expenditure savings resulting from these reduced penalties by invested into K-12 truancy and dropout prevention. The 2016-17 Budget estimates approximately $9.9 million in state savings that will be available for this program. The 2016-17 Budget also includes an additional $18 million in one-time funding for the program, resulting in total funding of $27.9 million.

- *Teacher Workforce Initiatives* – The 2016-17 Budget funds several initiatives designed to increase the supply of K-12 teachers, including (i) $20 million to encourage classified employees to complete their education and pursue teaching credentials, (ii) $10 million in non-Proposition 98 funding to expand the number of integrated programs that allow a participant to concurrently earn a bachelor's degree and a teaching credential, and (iii) $5 million to fund teacher recruitment activities.

- *Drinking Water* – $9.5 million in one-time Proposition 98 funding to assist school districts that serve isolated or economically disadvantaged areas improve access to safe drinking water.

For additional information regarding the 2016-17 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Governor's Proposed 2017-18 Budget. On January 10, 2017, the Governor released his proposed State budget for fiscal year 2017-18 (the "Proposed Budget"). The following information is drawn from the Department of Finance's summary of the Proposed Budget and the LAO's overview of the Proposed Budget.

Following several years of increases, the Governor reports that the three main sources of State revenues—income, sales and corporation taxes—are showing weakness. Consequently, the Proposed Budget includes a revised revenue forecast for fiscal years 2015-16 and 2016-17 that is $3.2 billion lower than was included in the current State budget. The Governor attributes the change in expectations to a pattern of shortfalls in monthly revenue collections and a growth in lower-income workers, which results in decreased revenues due to the State's progressive tax structure. The Governor also identifies some increases in State general fund spending relative to the 2016-17 Budget, most significant among those being an increase in Medi-Cal costs of approximately $1.8 billion. As a result, absent corrective action, the Governor projects that the State would face a general fund deficit of approximately $1.6 billion in fiscal year 2017-18, as well as comparable deficits in future years.

To close the projected deficit, the Proposed Budget includes $3.2 billion in remedial budgetary measures designed to reduce State general fund spending in a variety of areas. Significantly, the Proposed Budget would lower, by $1.7 billion, the existing Proposition 98 funding appropriations for fiscal years 2015-16 and 2016-17, which, as a result of the drop in State revenues, are projected to over-appropriate the minimum funding guarantee. As a result, the Proposed Budget also shifts, on a one-time basis (i) $310 million of previously appropriated discretionary K-12 funding from the 2015-16 fiscal year to the 2016-17 fiscal year, and (ii) $859.1 million in LCFF payments from June 2017 to July 2017. These shifts would bring Proposition 98 spending in-line with the revised funding guarantees described below. Other significant remedial measures include eliminating a $400 million set aside for affordable housing and $300 million in previously approved funding for the replacement and renovation of State office buildings.

Assuming the implementation of these measures, the Proposed Budget projects, for fiscal year 2016-17, total general fund revenues and transfers of $118.8 billion and total expenditures of $122.8 billion. The State is projected to end the 2016-17 fiscal year with total available reserves of $7.7 billion, including $980 million in the traditional general fund reserve and $6.7 billion in the BSA. For fiscal year 2017-18, the Proposed Budget projects total general fund revenues of $124 billion and authorizes expenditures of $122.5 billion. The State is projected to end the 2017-18 fiscal year with total available reserves of $8.8 billion, including $980 million in the traditional general fund reserve and $7.9 billion in the BSA.

As a result of the revised State revenue estimates discussed above, the Proposed Budget adjusts the minimum funding guarantee for fiscal year 2015-16 to $68.7 billion, a decrease of $379 million from the level set by the 2016-17 Budget. Similarly, for fiscal year 2016-17, the minimum funding guarantee is revised at $71.4 billion, reflecting a decrease of $506 million from the level set by the 2016-17 Budget. For fiscal year 2017-18, the Proposed Budget sets the minimum funding guarantee at $73.5 billion, including $51.4 billion from the State general fund, reflecting a year-to-year increase of $2.1 billion (or 3%). Fiscal year 2017-18 is projected to be "Test 3" year, with the increase in the minimum guarantee driven primarily by an increase in per-capita State general fund revenues. Significant proposals with respect to K-12 education funding include the following:

- *Local Control Funding Formula* – $744 million in Proposition 98 funding to continue the implementation of the LCFF. This level of funding would support a 1.48% COLA for adjusted Base Grants in fiscal year 2017-18. The Proposed Budget projects to maintain total LCFF implementation at 96%. The Proposed Budget would also provide $2.4 million in Proposition 98 funding to support a COLA for LCFF funding levels for county offices of education.

- *Maintenance Factor* – As a result of the adjustments to the Proposition 98 minimum funding guarantee for fiscal years 2015-16 and 2016-17, as described above, the State is no longer required to make a $379 million maintenance factor payment for fiscal year 2015-16 that was approved by the 2016-17 Budget, and the maintenance factor created for fiscal year 2016-17 grows from $746 million to $838 million. In addition, the funding levels set by the Proposed Budget would create a new maintenance factor in fiscal year 2017-18 equal to $219 million, bringing the total outstanding State obligation to $1.6 billion.

- *Discretionary Funding* – An increase of $287 million in one-time funding that local educational agencies may use for any purpose. Similar to features included in prior State budgets, these funds would offset any applicable unpaid reimbursement claims for State-mandated activities.

- *Settle Up Payment* – $601 million in one-time funding to support a "settle up" payment related to an obligation created in fiscal year 2009-10 when revenue estimates understated the minimum funding guarantee.

- *Career Technical Education (CTE)* – The State Budget for fiscal year 2015-16 established the Career Technical Education Incentive Grant Program for local education agencies to establish new or expand high-quality CTE programs. The Proposed Budget would provide $200 million as the final installment of funding for this program.

- *ADA Adjustments* – The Proposed Budget's funding levels reflect the following adjustments (i) an increase of $93 million in Proposition 98 funding to support a projected growth in charter school ADA, (ii) a decrease of $4.9 million in Proposition 98 funding as a result of a projected decrease in special education ADA, and (iii) a total decrease of $232 million for fiscal years 2016-17 and 2017-18 as a result of continuing projected declines in ADA for school districts.

- *Local Property Tax Adjustments* – A decrease of $149.2 million in Proposition 98 funding in fiscal year 2016-17 for school districts and county office of education as a result of higher offsetting property tax revenues. The Proposed Budget would make a similar decrease of $922.7 million in fiscal year 2017-18.

- *Categorical Programs* – An increase of $58.1 million in Proposition 98 funding to support a 1.48% COLA for categorical programs that remain outside of the LCFF.

- *Proposition 39* – Passed by voters in November 2012, Proposition 39 increases State corporate tax revenues and requires that, for a five-year period starting in fiscal year 2013-14, a portion of these additional revenues be allocated to local education agencies to improve energy efficiency and expand the use of alternative energy in public buildings. The Proposed Budget allocates $422.9 million of such funds to support school district and charter school energy efficiency projects in fiscal year 2017-18.

- *Proposition 56* – Passed by voters in November 2016, Proposition 56 increases the per-pack State sales tax on cigarettes by $2, and requires that a portion of the revenue generated be used for school programs designed to prevent and reduce the use of tobacco and nicotine products. The Proposed Budget would allocate $29.9 million of Proposition 56 revenues to support these programs.

For additional information regarding the Proposed Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

May Revision. On May 11, 2017, the Governor released his May revision (the "May Revision") to the Proposed Budget. The following information is drawn from the Department of Finance's summary of the May Revision.

The May Revision includes a modestly improved fiscal outlook as compared to the Proposed Budget, primarily due to a recent surge in the performance of the stock market. State revenues are projected to be $2.5 billion higher, which the May Revision would redirect primarily towards education, in home supportive services, child care and the reduction of unfunded pension liabilities. For fiscal year 2016-17, the May Revision projects total general fund revenues and transfers of $118.5 billion and total expenditures of $122.3 billion. The State is projected to end the 2016-17 fiscal year with total available reserves of $7.7 billion, including $980 million in the traditional general fund reserve and $6.7 billion in the BSA. For fiscal year 2017-18, the May Revision projects total general fund revenues of $126.6 billion and authorizes expenditures of $124 billion. The State is projected to end the 2017-18 fiscal year with total available reserves of $9.5 billion, including $980 million in the traditional general fund reserve and $8.5 billion in the BSA.

The May Revision notes, however, that the improved fiscal outlook assumes the continued expansion of the economy, and that even a moderate recession would reduce State revenues by approximately $20 billion annually for several years. The May Revision also notes that several proposed changes to federal fiscal policies, including to Medicaid, trade, immigration and the federal tax structure, could have serious and detrimental effects on the State's economy and budget.

For fiscal year 2017-18, the May Revision sets the minimum funding guarantee at $74.6 billion, reflecting an increase of $1.1 billion from the level included in the Proposed Budget. Other significant adjustments made by the May Revision to K-12 education funding include the following:

- *Funding Shifts* – the Proposed Budget would have shifted, on a one-time basis, (i) $310 million of previously appropriated K-12 funding from fiscal year 2015-16 to fiscal year 2016-17, and (ii) $859.1 million in LCFF payments from June 2017 to July 2017. As a result of the increases in State revenues discussed above, the May Revision eliminates these shifts. To accomplish this, the May Revision would also suspend the application of the Proposition 98 "Test 3" in fiscal year 2016-17.

- *Local Control Funding Formula* –$661 million in additional Proposition 98 funding above what was provided in the Proposed Budget, to continue the implementation of the LCFF. Total LCFF funding for fiscal year 2017-18 would be approximately $1.4 billion, which the May Revision projects will bring total LCFF implementation to 97%.

- *Maintenance Factor* – an additional maintenance factor repayment of $614 million, driven primarily by the projected increase in revenues attributable to fiscal year 2017-18. As a result, the total outstanding maintenance factor would be reduced to approximately $823 million.

- *Discretionary Funding* – an additional $750 million in one-time funding that local educational agencies may use for any purposes, for a grand total of approximately $1 billion.

- *ADA Adjustments* – as a result of adjusted projections in ADA declines for fiscal years 2016-17 and 2017-18, which project a smaller drop in ADA than what was assumed by the Proposed Budget, funding levels set by the May Revision increase by $100 million over that two year period.

- *Local Property Tax Adjustments* – an increase of $188.7 million in Proposition 98 funding for fiscal year 2016-17 for school districts and county offices of education, as a result of lower projected offsetting property tax revenues. The May Revision would make a similar increase of $327.9 million in fiscal year 2017-18.

- *Categorical Programs* – an increase of $3.2 million in Proposition 98 funding beyond what was included in the Proposed Budget for categorical programs that remain outside the LCFF, which is sufficient to support a 1.56% COLA for such programs. The May Revision also provides $2.4 million in additional Proposition 98 funding for selected categorical programs, based on updated ADA projections.

- *Proposition 39* – a decrease of $46.7 million in Proposition 39 corporate tax revenues relative to the level set by the Proposed Budget, bringing total available revenues for energy efficiency projects undertaken by local educational agencies in fiscal year 2017-18 to $376.2 million.

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

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

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are 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 and interest on the Bonds is payable from the general fund of the District. The Bonds are payable solely from the revenues generated by an ad valorem *property tax required to be levied by the Counties on taxable property within the District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The District encompasses an area of approximately 1,000 square miles in western Nevada County and eastern Yuba County, with the District offices located in the City of Grass Valley, which is approximately 60 miles northeast of Sacramento, California and 75 miles southwest of Reno, Nevada. The District serves the communities of Grass Valley, Nevada City, Rough and Ready, Penn Valley, Lake Wildwood, Chicago Park, North San Juan, Cumptonville, Cedar Ridge, Peardale and Lake of the Pines and adjacent unincorporated areas of Nevada and Yuba Counties. Nevada Joint Union High School District operates two comprehensive high schools, two continuation schools, and two alternative high schools. The District's projected average daily attendance for fiscal year 2016-17 is 2,476 students, and the District has a 2016-17 assessed valuation of $11,266,432,324.

Unless otherwise indicated, the following financial, statistical and demographic data has been provided by the District. Additional information concerning the District and copies of the most recent and subsequent audited financial reports of the District may be obtained by contacting: Nevada Joint Union High School District, 11645 Ridge Road, Grass Valley, California 95945, Attention: Superintendent. The District may impose a charge for copying, mailing and handling.

Administration

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

BOARD OF EDUCATION
Nevada Joint Union High School District

Name	Office	Term Expires
Jim Drew	President	November, 2020
Jamie Reeves	Vice President	November, 2020
Al Angulo	Clerk	November, 2020
Linda Campbell	Member	November, 2018
Pat Seeley	Member	November, 2018

The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day-to-day District operations as well as the supervision of the District's other key personnel. Dr. Louise Johnson is the District's current Superintendent. Brief Biographies of the Superintendent, the Assistant Superintendent, Business Services and the Chief Business Official follow.

Dr. Louise Johnson, Superintendent. Dr. Louise Johnson began her tenure as the District's Superintendent on July 1, 2013. Previously, Ms. Johnson served as the Superintendent of Ripon Unified School District from 2008 through 2013 and Superintendent of the Konocti Unified School District from 2004 through 2008. In addition, she has held the positions of Assistant Superintendent, principal and teacher at various school districts in the State. Ms. Johnson received her B.S. in Biology from Penn State University, her teaching credential in biological and physical sciences from California State University, Los Angeles and a M.A. from Fresno Pacific College and her Ed.D. from Boyer Graduate School of Education of William Howard Taft University.

Karen Suenram, Assistant Superintendent, Business Services. Ms. Suenram joined the District in March, 2005. During her 33-year career, Ms. Suenram has served as the chief financial officer for Northern California school districts including Novato Unified, Roseville Elementary, and Rocklin Unified. Ms. Suenram has also served in the capacity of AB1200 coordinator for the Nevada County Office of Education and provided consultation and training for the California Association of School Business Officials, the Fiscal Crisis Management Assistance Team, and individual school districts throughout the State. Ms. Suenram will be retiring from the District at the end of the current fiscal year.

Laura Flores, Chief Business Official. Ms. Flores has served as the Chief Business Official at the District since March 2017. Immediately prior to assuming her current position, she served as the Budget and Accounting Coordinator at the District from December 2015 through February 2017. Prior thereto served as Business Services Advisor and Fiscal Services Advisor at the Nevada County Superintendent of Schools from December 2006 through November 2015. In addition, in her over 20 year career in school business administration, Ms. Flores has also held the positions of Business Manager and Payroll Specialist at other school districts. Ms. Flores received her A.A. in accounting from Sierra College.

District Enrollment

The current student-teacher ratio in the District is 30:1 in grades 9-12. The following table shows enrollment figures for the District for fiscal years 2008-09 through 2016-17.

HISTORICAL ENROLLMENT
Fiscal Years 2008-09 through 2016-17
Nevada Joint Union High School District

Fiscal Year	Enrollment[1]	% Change
2008-09	3,850	--
2009-10	3,734	(3.01)%
2010-11	3,592	(3.80)
2011-12	3,391	(5.60)
2012-13	3,285	(3.13)
2013-14	3,146	(4.23)
2014-15	2,898	(7.88)
2015-16	2,807	(3.14)
2016-17	2,609	(7.05)

(1) For fiscal years 2010-11 through 2012-13, reflects CBEDS enrollment. For fiscal years 2013-14 through 2016-17, reflects CALPADS enrollment.

Source: Nevada Joint Union High School District.

Charter Schools

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

The District has certain fiscal oversight and other responsibilities with respect to both independent and District operated charter schools established within its boundaries, for which it is the charter approving authority. However, independent charter schools (whether District sponsored or otherwise) receive funding directly from the State, and such funding would not be reported in the District's audited financial statements. District operated charter schools receive their funding from the District, and would be reflected in the District's audited financial statements.

There are four charter schools currently operating within the District, one of which is a District sponsored independent charter school (collectively, the "Charter Schools"). The following table shows enrollment figures in for the District's Charter Schools for the past nine fiscal years.

CHARTER SCHOOL ENROLLMENT
Fiscal Years 2008-09 through 2016-17
Nevada Joint Union High School District

Fiscal Year	District Sponsored Independent Charter School	County Sponsored Independent Charter Schools
2008-09	--	387
2009-10	--	405
2010-11	--	434
2011-12	--	459
2012-13	--	471
2013-14	--	485
2014-15	65	456
2015-16	140	433
2016-17	173	399

(1) The District does not have enrollment figures for the current fiscal year.
Source: Nevada Joint Union High School District.

The District can make no representations regarding how many District students will transfer to the Charter Schools in the future or back to the District from the Charter Schools and the corresponding financial impact on the District.

Labor Relations

The District currently employs 157 full-time certificated employees and 74 full-time classified employees. In addition, the District employs 85 part-time faculty and staff. District employees, except for management and some part-time employees, are represented by three employee bargaining units as shown below.

BARGAINING UNITS
Nevada Joint Union High School District

Name of Bargaining Unit	Number of Employees Represented	Current Contract Expiration Date
Nevada Joint Union High School Teachers	159	June 30, 2017[1]
California School Employees Association	139	June 30, 2018
Placer/Nevada Teachers Association AFT Local 2267, AFL-CIO	4	June 30, 2019

(1) The District and the Nevada Joint Union High School Teachers Association reached a tentative agreement on April 25, 2017 for a contract ending June 30, 2019.
Source: Nevada Joint Union High School District.

District Retirement Systems

The information set forth below regarding the STRS and PERS programs, other than the information provided by the District regarding its annual contributions thereto, has been obtained from publicly available sources which are believed to be reliable but are not guaranteed as to accuracy or completeness, and should not to be construed as a representation by either the District or the Financial Advisor.

STRS. All full-time certificated employees, as well as certain classified employees, are members of the State Teachers' Retirement System ("STRS"). STRS provides retirement, disability and survivor benefits to plan members and beneficiaries under a defined benefit program (the "STRS Defined Benefit Program"). The STRS Defined Benefit Program is funded through a combination of investment earnings and statutorily set contributions from three sources: employees, employers, and the State. Benefit provisions and contribution amounts are established by State statutes, as legislatively amended from time to time.

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

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

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

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

Source: AB 1469.

Pursuant to the Reform Act (defined below), the contribution rates for members hired after the Implementation Date (defined below) will be adjusted if the normal cost increases by more than 1% since the last time the member contribution was set. While the contribution rate for employees hired after the Implementation Date will remain unchanged at 9.205% of creditable compensation for fiscal year commencing July 1, 2017, the STRS actuary currently estimates that member contribution rates for such members will have to increase to 10.205% of creditable compensation effective July 1, 2018, based on the new actuarial assumptions discussed below.

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

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

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

Source: AB 1469.

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

The District's contributions to STRS were $1,118,305 in fiscal year 2011-12, $1,093,952 in fiscal year 2012-13, $1,057,248 in fiscal year 2013-14, $1,104,281 in fiscal year 2014-15, and $1,420,624 in fiscal year 2015-16, and in each such year was equal to 100% of the required contributions. The District has projected a contribution of $1,774,134 to STRS in fiscal year 2016-17.

The State also contributes to STRS, currently in an amount equal to 6.328% of teacher payroll for fiscal year 2016-17. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. For the first time, in fiscal year 2017-18, the State contribution rate will increase 0.5% of covered payroll (the maximum rate increase allowed per year under current law) to 6.828%.

In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the

"SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of the Public Employees' Retirement System ("PERS"). PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2014 included 1,580 public agencies and 1,513 K-14 school districts. PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 13.888% of eligible salary expenditures for fiscal year 2016-17 and will be 15.531% for fiscal year 2017-18. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries in fiscal year 2016-17 and will contribute at the same rate for fiscal year 2017-18, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2016-17 and 6.5% in fiscal year 2017-18. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS were $466,726 in fiscal year 2011-12, $485,467 in fiscal year 2012-13, $496,731 in fiscal year 2013-14, $517,183 in fiscal year 2014-15, and $755,280 in fiscal year 2015-16, and in each such year was equal to 100% of the required contributions. The District has projected a contribution of $702,058 to PERS in fiscal year 2016-17.

For further information about the District's contributions to STRS and PERS, see "APPENDIX B – 2015-16 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference.

Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

FUNDED STATUS
STRS (Defined Benefit Program) and PERS
(Dollar Amounts in Millions) (1)
Fiscal Years 2010-11 through 2015-16

STRS

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

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)(2)	Unfunded Liability (MVA)(2)	Value of Trust Assets (AVA)(3)	Unfunded Liability (AVA)(3)
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14	65,600	56,838	8,761	--(4)	--(4)
2014-15	73,325	56,814	16,511	--(4)	--(4)
2015-16(5)	77,544	55,785	21,759	--(4)	--(4)

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets, including the assets allocated to the SBPA reserve. Since the benefits provided through the SBPA are not a part of the projected benefits included in the actuarial valuations summarized above, the SBPA reserve is subtracted from the STRS Defined Benefit Program assets to arrive at the value of assets available to support benefits included in the respective actuarial valuations.
(3) Reflects actuarial value of assets.
(4) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.
(5) On April 18, 2017, the PERS Board of Administration approved the K-14 school district contribution rate for fiscal year 2017-18 and released certain actuarial information to be incorporated into the June 30, 2016 actuarial valuation to be released in summer 2017.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

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

Based on the change in actuarial assumptions adopted by the STRS Board, recent investment experience and the insufficiency of the contributions received in fiscal year 2015-16 to cover interest on the unfunded actuarial obligation, the 2016 Actuarial Valuation reports that the unfunded actuarial obligation increased by $20.5 billion since the June 30, 2015 actuarial valuation and the funded ratio decreased by 4.8% to 63.7% over such time period. Had the investment rate of return been lowered to 7.00% for the 2016 Actuarial Valuation, the unfunded actuarial obligation and the funded ratio would have been $105.1 billion and 61.8%, respectively. As a result, it is currently projected that there will be a need for higher contributions from the State, employers and members in the future to reach full funding by 2046.

According to the 2016 Actuarial Valuation, the future revenues from contributions and appropriations for the STRS Defined Benefit Program are projected to be sufficient to finance its obligations, except for a small portion of the unfunded actuarial obligation related to service accrued on or after July 1, 2014 for member benefits adopted after 1990, for which AB 1469 provides no authority to the STRS Board to adjust rates to pay down that portion of the unfunded actuarial obligation. This finding reflects the scheduled contribution rate increases directed by statute, assumes additional increases in the scheduled contribution rates allowed under the current law will be made, and is based on the valuation assumptions and valuation policy adopted by the STRS Board, including a 7.00% investment rate of return assumption.

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

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%. On November 17, 2015, the PERS Board approved a new funding risk mitigation policy to incrementally lower the PERS Discount Rate by establishing a mechanism whereby such rate is reduced by a minimum of 0.05% to a maximum of 0.25% in years when investment returns outperform the existing PERS Discount Rate by at least four percentage points. On December 21, 2016, the PERS Board voted to lower the PERS Discount Rate to 7.0% over the next three years in accordance with the following schedule: 7.375% in fiscal year 2017-18, 7.25% in fiscal year 2018-19 and 7.00% in fiscal year 2019-20. The new discount rate will go into effect July 1, 2017 for the State and July 1, 2018 for K-14 school districts and other public agencies. Lowering the PERS Discount Rate means employers that contract with PERS to administer their pension plans will see increases in their normal costs and unfunded actuarial liabilities. Active members hired after January 1, 2013, under the Reform Act (defined below) will also see their contribution rates rise. The three-year reduction of the discount rate to 7.0% is expected to result in average employer rate increases of approximately 1-3% of normal cost as a percent of payroll for most miscellaneous retirement plans and a 2-5% increase for most safety plans.

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

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

The District can make no representations regarding the future program liabilities of STRS, or whether the District will be required to make additional contributions to STRS in the future above those amounts required under AB 1469. The District can also provide no assurances that the District's required contributions to PERS will not increase in the future.

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 (the "Reform Act"), which makes changes to both STRS and PERS, most substantially affecting new employees hired after January 1, 2013 (the "Implementation Date"). For STRS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor (the age factor is the percent of final compensation to which an employee is entitled for each year of service) from age 60 to 62 and increasing the eligibility of the maximum age factor of 2.4% from age 63 to 65. Similarly, for non-safety PERS participants hired after the Implementation Date, the Reform Act changes the normal retirement age by increasing the eligibility for the 2% age factor from age 55 to 62 and increases the eligibility requirement for the maximum age factor of 2.5% to age 67. Among the other changes to PERS and STRS, the Reform Act also: (i) requires all new participants enrolled in PERS and STRS after the Implementation Date to contribute at least 50% of the total annual normal cost of their pension benefit each year as determined by an actuary, (ii) requires STRS and PERS to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date (previously 12 months for STRS members who retire with 25 years of service), and (iii) caps "pensionable compensation" for new participants enrolled after the Implementation Date at 100% of the federal Social Security contribution (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers) and benefit base for members participating in Social Security or 120% for members not participating in social security (to be adjusted annually based on changes to the Consumer Price Index for all Urban Consumers), while excluding previously allowed forms of compensation under the formula such as payments for unused vacation, annual leave, personal leave, sick leave, or compensatory time off.

GASB Statement Nos. 67 and 68. On June 25, 2012, the Governmental Accountability Standards Board ("GASB") approved Statements Nos. 67 and 68 (the "Statements") with respect to pension accounting and financial reporting standards for state and local governments and pension plans. The new Statements, No. 67 and No. 68, replace GASB Statement No. 27 and most of Statements No. 25 and No. 50. The changes impact the accounting treatment of pension plans in which state and local governments participate. Major changes include: (1) the inclusion of unfunded pension liabilities on the government's balance sheet (currently, such unfunded liabilities are typically included as notes to the government's financial statements); (2) more components of full pension costs being shown as expenses regardless of actual contribution levels; (3) lower actuarial discount rates being required to be used for underfunded plans in certain cases for purposes of the financial statements; (4) closed amortization periods for unfunded liabilities being required to be used for certain purposes of the financial statements; and (5) the difference between expected and actual investment returns being recognized over a closed five-year smoothing period. In addition, according to GASB, Statement No. 68 means that, for pensions within the scope of the Statement, a cost-sharing employer that does not have a special funding situation is required to recognize a net pension liability, deferred outflows of resources, deferred inflows of resources related to pensions and pension expense based on its proportionate share of the net pension liability for benefits provided through the pension plan. Because the accounting standards do not require changes in funding policies, the full extent of the effect of the new standards on the District is not known at this time. The reporting requirements for pension plans took effect for the fiscal year beginning July 1, 2013 and the reporting requirements for government employers, including the District, took effect for the fiscal year beginning July 1, 2014.

For fiscal year ending June 30, 2016, the District's proportionate share of the net STRS pension liability was $18,250,030. As of such date, the District's proportionate share of the net PERS pension liability was $5,880,128.

For additional information, see "APPENDIX B – 2015-16 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 12" attached hereto.

Other Post-Employment Benefits

Plan Description. The District previously provided other postemployment benefits for classified and certificated employees who retired before June 30, 2014, but does not currently offer such benefits to current employees. There were 25 retirees receiving Benefits as of the date of the last actuarial report. Benefits provided before June 30, 2014 are as described below:

	Certificated
Benefit types provided	Medical, dental and vision
Duration of Benefits	5 to 7 years
Required Service	15 years
Minimum Age	55
Dependent Coverage	Yes
District Contribution %	100% up to cap
District Cap	$40,000 over 5 to 7 years

The District currently provides other postemployment benefits for classified employees until age 65 who meet certain eligibility criteria pursuant to the CSEA agreement. The number of employees eligible to retire from the District and receive such Benefits is limited to two per year. The agreement with CSEA with respect to the Benefits is scheduled to sunset in fiscal year 2018-19. There were 28 retirees currently receiving the Benefits, and 116 active Plan members who are eligible for, but not yet receiving, the Benefits as of the date of the last actuarial report. Benefits provided to classified employees are as described below:

	Classified
Benefit types provided	Medical, dental and vision
Duration of Benefits	8 years
Required Service	15 years
Minimum Age	55
Dependent Coverage	Yes
District Contribution %	100% up to cap
District Cap	$5,387 per year

Funding Policy. The District's funding policy is based on the projected pay-as-you-go financing requirements, with additional amounts to prefund the Benefits as determined annually by the Board. The District contributed $348,195 and $313,928 to the Plan for the Benefits in fiscal years 2014-15 and 2015-

16, respectively, all of which were used for current premiums. The District currently projects a contribution of $308,302 to the Plan in fiscal year 2016-17, all of which will be used for current premiums.

The District has established a special reserve fund (the "Fund 20") into which $109,000 is deposited each year pursuant to an agreement with California School Employees Association, to begin funding its outstanding liability with respect to the Benefits for classified employees. As of June 30, 2016, Fund 20 had a balance of $657,018. However, this fund has not been irrevocably pledged towards the District's liability, and may be accessed by the District upon Board action.

Actuarial Report. The District has implemented GASB Statement Number 45, *Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans*, pursuant to which the District has commissioned and received several actuarial studies of its outstanding liabilities with respect to the Benefits. The most recent of these studies (the "Actuarial Report"), dated June 8, 2015, with a valuation date of March 1, 2015, determined that the unfunded actuarial accrued liability ("UAAL") with respect to the Benefits was approximately $2,232,936. The Actuarial Report also concluded that the annual required contribution (the "ARC") for the year beginning March 1, 2014 was $419,002. The ARC is the amount that would be necessary to fund the value of future Benefits earned by current employees during each fiscal year (the "Normal Cost") and the amount necessary to amortize the UAAL, in accordance with GASB Statements Numbers 43 and 45.

Net OPEB Obligation. As of June 30, 2016, the District recognized a long-term obligation (the "Net OPEB Obligation") of $1,450,403 with respect to its accrued liability for the Benefits. The Net OPEB Obligation is based on the District's contributions towards the ARC during fiscal year 2015-16, plus interest on the prior year's Net OPEB Obligation and minus any adjustments to reflect the amortization thereof. See "APPENDIX B – 2015-16 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 11" attached hereto.

Early Retirement Incentives

Public Agency Retirement Services (PARS). The District has offered incentives for employees to retire through Public Agency Retirement Services (PARS) Group Tax Sheltered (403(B)) Annuity Contract. At June 30, 2016 twenty-seven (27) employees were entitled to future retirement benefits as determined by prior agreements.

The future estimated payments needed to meet the obligation above are as follows:

Year Ended June 30	Principal	Interest	Total
2017	$231,084	$12,710	$243,794
2018	231,084	12,710	243,794
2019	231,084	12,710	243,794
Totals	$693,252	$38,130	$731,382

Joint Ventures

Schools Insurance Group (SIG)

The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The program covers workers' compensation, property/liability, and health and welfare insurance. The membership includes the school districts in Placer and Nevada counties and their respective County Offices. SIG is governed by an Executive Board consisting of representatives from member districts. The Executive Board controls the operations of SIG, including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District pays premiums commensurate with the levels of coverage requested.

Nevada County Transportation Agency

The District is also a member in a Joint Powers Authority, Nevada County Transportation Agency, for the operation of pupil transportation in Nevada County.

The relationship between the District and the joint powers authorities are such that these authorities are not component units of the District for reporting purposes. For more information regarding the District's participation in joint powers agreements, see "APPENDIX B – 2015-16 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT – Note 14" attached hereto.

Risk Management

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, 2016, the District contracted with Schools Insurance Group, JPA (SIG) for property and liability insurance coverage and also for theft insurance coverage. Settled claims have never exceeded the coverage provided through SIG. There has not been a significant change in coverage from the prior year.

Workers' Compensation For fiscal year 2016, the District participated in the Schools Insurance Group, JPA (SIG), an insurance purchasing pool. The intent of the SIG pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SIG pool. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SIG pool. 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. 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 the SIG pool. Participation in the SIG pool is limited to districts that can meet the SIG pool selection criteria.

District Debt Structure

Long-Term Obligations. A schedule of changes in long-term debt for the fiscal year ended June 30, 2016, is shown below:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016[1]
General Obligation Bonds	$12,488,700	--	$505,000	$11,983,700
Accreted Interest	360,278	$49,228	--	409,506
Other Post-Employment Benefits	1,504,183	260,148	313,928	1,450,403
Early Retirement Incentives	924,336	--	231,084	693,252
Compensated absences	107,367	4,834	--	112,201
Energy Loan	67,567	--	21,337	46,230
Net Pension Liability	21,635,285	2,494,873	--	24,130,158
Totals	$37,087,716	$2,809,083	$1,071,349	$38,825,450

(1) Does not include the District's Capital Lease entered into on July 1, 2016, described below.
Source: Nevada Joint Union High School District.

Energy Loans Payable. In June 2015, the District executed a loan of $105,987 from Pacific Gas and Electric Company as evidenced by a promissory note. The loan proceeds were used as part of the funding for an energy control system at Bear River High School, supplementing Prop 39 energy projects. Payments of $1,778 will be due each month beginning in July 2015 through August 2019.

A schedule of loan payments is shown below:

Year Ended June 30	Principal
2017	$21,336
2018	21,336
2019	3,558
Totals	$46,230

Capital Leases. On July 1, 2016, the District entered into a lease agreement with Government Connections Inc. to lease computer equipment. The lease commenced on August 31, 2016 for a term of thirty-six months. Payment of $125,169 will be made annually with the first payment due upon commencement. An annual interest rate of 3.11% will be charged to any outstanding principal. When all lease payments have been satisfied, all interest in the equipment shall pass to the District.

General Obligation Bonds. At an election held on March 5, 2002, the voters of the District approved the issuance of not-to-exceed $15,000,000 of general obligation bonds of the District (the "2002 Authorization"). On August 8, 2002 the District issued its Election of 2002 General Obligation Bonds, Series A in an aggregate principal amount of $7,498,701.45 (the "Series A Bonds"). On September 21, 2005 the District issued its Election of 2002 General Obligation Bonds, Series B in an aggregate principal amount of $7,500,000 (the "Series B Bonds"). On December 22, 2011, the District issued its 2011 General Obligation Refunding Bonds in an aggregate principal amount of $6,330,000 in order to advance refund portions of the District's Series A Bonds. On December 18, 2014, the District issued its 2014 General Obligation Refunding Bonds in the aggregate principal amount of $6,410,000 in order to advance refund portions of the District's Series B Bonds.

Pursuant to the 2016 Authorization, the voters of the District authorized the issuance of not-to-exceed $47,000,000 of general obligation bonds. The Bonds are the first series of bonds issued under the 2016 Authorization, and, following the issuance thereof, $33,000,000 of the 2016 Authorization will remain unissued.

The following table shows the combined debt service schedule with respect to the total outstanding general obligation debt of the District.

Year Ending August 1	Series A Bonds	2011 Refunding Bonds	2014 Refunding Bonds	The Bonds	Total Annual Debt Service
2017	$365,000.00	$196,325.00	$344,950.00	--	$906,275.00
2018	400,000.00	196,325.00	341,950.00	$2,561,609.38	3,499,884.38
2019	--	621,325.00	337,950.00	2,341,093.76	3,300,368.76
2020	--	673,575.00	308,950.00	513,593.76	1,496,118.76
2021	--	718,875.00	330,950.00	672,843.76	1,722,668.76
2022	--	741,375.00	326,950.00	668,843.76	1,737,168.76
2023	--	801,375.00	352,950.00	669,343.76	1,823,668.76
2024	--	846,700.00	349,050.00	669,093.76	1,864,843.76
2025	--	862,000.00	390,150.00	668,093.76	1,920,243.76
2026	--	931,500.00	386,400.00	666,343.76	1,984,243.76
2027	--	--	1,277,400.00	663,843.76	1,941,243.76
2028	--	--	1,343,400.00	660,593.76	2,003,993.76
2029	--	--	1,407,400.00	656,593.76	2,063,993.76
2030	--	--	1,440,400.00	656,843.76	2,097,243.76
2031	--	--	--	664,393.76	664,393.76
2032	--	--	--	671,343.76	671,343.76
2033	--	--	--	677,125.00	677,125.00
2034	--	--	--	681,687.50	681,687.50
2035	--	--	--	685,600.00	685,600.00
2036	--	--	--	693,218.76	693,218.76
2037	--	--	--	699,993.76	699,993.76
2038	--	--	--	705,218.76	705,218.76
2039	--	--	--	709,568.76	709,568.76
2040	--	--	--	713,043.76	713,043.76
2041	--	--	--	719,843.76	719,843.76
2042	--	--	--	730,556.26	730,556.26
Total	$765,000.00	$6,589,375.00	$8,938,850.00	$20,420,328.34	$36,713,553.34

Source: Nevada Joint Union High School District.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, 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 calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the alternative minimum tax liability of corporations.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same series and maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of the Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS OR THE MARKET VALUE OF THE BONDS. TAX REFORM PROPOSALS ARE BEING CONSIDERED BY CONGRESS. IT IS POSSIBLE THAT LEGISLATIVE CHANGES MIGHT BE INTRODUCED IN CONGRESS, WHICH, IF ENACTED, WOULD RESULT IN ADDITIONAL FEDERAL INCOME OR STATE TAX BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THE INTRODUCTION OR ENACTMENT OF ANY OF SUCH CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS SUCH CHANGES (OR OTHER CHANGES) WILL NOT BE INTRODUCED OR ENACTED OR INTERPRETATIONS WILL NOT OCCUR. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinion may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of bond counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth.

Although Bond Counsel has rendered an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District continues to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) on the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

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

LIMITATION ON REMEDIES; BANKRUPTCY

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

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the automatic stay provisions of Bankruptcy Code Sections 362 and 922 generally would prohibit creditors from taking any action to collect amounts due from the District or to enforce any obligation of the District related to such amounts due, without consent of the District or authorization of the bankruptcy court (although such stays would not operate to block creditor application of pledged special revenues to payment of indebtedness secured by such revenues). In addition, as part of its plan of adjustment in a Chapter 9 bankruptcy case, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, as long as the bankruptcy court determines that the alterations are fair and equitable. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, the fact of a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

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

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

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

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of the approving opinion of Bond Counsel attached hereto as APPENDIX A is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights. Bankruptcy proceedings, if initiated, could subject the owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation, or modification of their rights.

LEGAL MATTERS

Legality for Investment in California

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

Expanded Reporting Requirements

On May 17, 2006, the President signed the Tax Increase Prevention and Reconciliation Act of 2005 ("TIPRA"). Under Section 6049 of the Internal Revenue Code of 1986, as amended by TIPRA, interest paid on tax-exempt obligations will be subject to information reporting in a manner similar to interest paid on taxable obligations. The effective date for this provision is for interest paid after December 31, 2005, regardless of when the tax-exempt obligations were issued. The purpose of this change was to assist in relevant information gathering for the IRS relating to other applicable tax provisions. TIPRA provides that backup withholding may apply to such interest payments made after March 31, 2007 to any bondholder who fails to file an accurate Form W-9 or who meets certain other criteria. The information reporting and backup withholding requirements of TIPRA do not affect the excludability of such interest from gross income for federal income tax purposes.

Continuing Disclosure

Current Undertaking. The District has covenanted for the benefit of the Owners and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine months following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2016-17 fiscal year, and to provide notices of the occurrence of certain listed events. The Annual Report and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be contained in the Annual Report or the notices of listed events is included in "APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriter in complying with the Rule.

Prior Undertakings. Within the past five years, the District failed to timely file the annual report for the fiscal year 2011-12, and failed to timely file a portion of the annual report for fiscal year 2012-13, as required by its existing continuing disclosure obligations. Such annual reports have since been filed. In connection with the annual reports described above, within the past five years, the District also failed to timely file notices of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure certificates for its late filings. The District also failed to file in a timely manner notices of certain enumerated events, as required by its existing continuing disclosure obligations.

No Litigation

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

Financial Statements

The financial statements with supplemental information for the year ended June 30, 2016, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 5, 2016 of Goodell, Porter, Sanchez & Bright, LLP (the "Auditor"), are included in this Official Statement as APPENDIX B. In connection with the inclusion of the financial statements and the report of the Auditor herein, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

Legal Opinion

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

MISCELLANEOUS

Rating

The Bonds have been assigned the rating of "Aa2" by Moody's. The rating reflects only the views of the rating agency, and any explanation of the significance of such rating should be obtained from the rating agency at the following address: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007. There is no assurance that the rating will be retained for any given period of time or that the same will not be revised downward or withdrawn entirely by the rating agency if, in the judgment of the rating agency, circumstances so warrant. The District undertakes no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal of the rating obtained may have an adverse effect on the market price of the Bonds.

Generally, rating agencies base their ratings on information and materials furnished to them (which may include information and material from the District which is not included in this Official Statement) and on investigations, studies and assumptions by the rating agencies.

The District has covenanted in a Continuing Disclosure Certificate to file on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA") notices of any rating changes on the Bonds. See "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from the rating agency prior to such information being provided to the District and prior to the date the District is obligated to file a notice of rating change on EMMA.

Purchasers of the Bonds are directed to the rating agency and its website and official media outlets for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

Underwriting

Pursuant to the terms of a Notice Inviting Proposals for Purchase of Bonds (the "Notice Inviting Proposals"), Robert W. Baird & Co., Inc. (the "Underwriter") will purchase all of the Bonds for a purchase price of $14,653,553.50, which is equal to the initial principal amount of the Bonds of $14,000,000.00, plus net original issue premium of $799,993.50, less $146,440.00 of underwriting discount.

The Notice Inviting Proposals provides that the Underwriter will purchase all of the Bonds, if any are purchased. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

Additional Information

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

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

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

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

By: /s/ Louise Johnson, Ed.D.
Superintendent

APPENDIX A

FORM OF OPINION OF BOND COUNSEL

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

June 1, 2017

Board of Education
Nevada Joint Union High School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $14,000,000 Nevada Joint Union High School District Election of 2016 General Obligation Bonds, Series A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, a greater than fifty-five percent vote of the qualified electors of the Nevada Joint Union High School District (the "District") voting at an election held on November 8, 2016, and a resolution adopted by the Board of Education of the District on April 5, 2017 (the "Resolution").

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

3. Under existing statutes, regulations, rulings and judicial decisions, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations; however, it should be noted that, with respect to corporations, such interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income, which may affect the federal income tax liability of such corporations.

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

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the

Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

6. The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the Bondowner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Bondowner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The opinions expressed herein may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Resolution and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. No opinion is expressed herein as to the effect on the exclusion from gross income of interest (and original issue discount) for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than ourselves. Other than expressly stated herein, we express no opinion regarding tax consequences with respect to the Bonds.

The opinions expressed herein as to the exclusion from gross income of interest (and original issue discount) on the Bonds are based upon certain representations of fact and certifications made by the District and others and are subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

It is possible that subsequent to the issuance of the Bonds there might be federal, state, or local statutory changes (or judicial or regulatory interpretations of federal, state, or local law) that affect the federal, state, or local tax treatment of the Bonds or the market value of the Bonds. No assurance can be given that subsequent to the issuance of the Bonds such changes or interpretations will not occur.

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

Respectfully submitted,

APPENDIX B

2015-16 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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NEVADA JOINT UNION HIGH SCHOOL DISTRICT
COUNTY OF NEVADA
GRASS VALLEY, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2016

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

JUNE 30, 2016

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CERTIFIED PUBLIC ACCOUNTANTS

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VIRGINIA C. PORTER, CPA
BEVERLY A. SANCHEZ, CPA
SUZY H. BRIGHT, CPA
RICHARD J. GOODELL, CPA
MICHELLE M. HANSON, CPA

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Nevada Joint Union High School District
Grass Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, major fund, and the aggregate remaining fund information of Nevada Joint Union High School District as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Nevada Joint Union High School 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, major fund, and the aggregate remaining fund information of the Nevada Joint Union High School District, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

7801 Folsom Boulevard ■ Suite 301 ■ Sacramento, CA 95826 ■ (916) 387-7000 ■ FAX (916) 387-7001

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 3 through 12 and budgetary comparison information and accounting by employer for postemployment benefits and pensions on pages 55 through 58 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Nevada Joint Union High School District's basic financial statements. The financial and statistical information listed as supplementary information in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations (CFR)* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial and statistical information listed as supplementary information and the schedule of expenditures of federal awards 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 financial and statistical information listed as supplementary information and the schedule of expenditures of federal awards is fairly stated, in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2016, on our consideration of the Nevada Joint Union High School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Nevada Joint Union High School District's internal control over financial reporting and compliance.

Goodell, Porter, Sanchez & Bright, LLP

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

December 5, 2016

The discussion and analysis of Nevada Joint Union High School District's financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2016. The intent of this discussion and analysis is to look at the District's financial performance as a whole. To provide a complete understanding of the District's financial performance, please read it in conjunction with the Independent Auditor's Report on page 1, notes to the basic financial statements and the District's financial statements, as listed in the table of contents.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS

- General Fund revenues and other sources were greater than expenditures and other uses by $905 thousand, $900 thousand of which was due to the carryover of one-time mandated costs reimbursement received in 2015-2016. The carryover is expected to be spent for instructional technology and textbook replacement. The Board of Trustees recognizes that good fiscal management comprises the foundational support of the entire District. To make that support as effective as possible, the Board intends to maintain a minimum unrestricted fund balance of 8% of the District's General Fund annual operating expenditures.

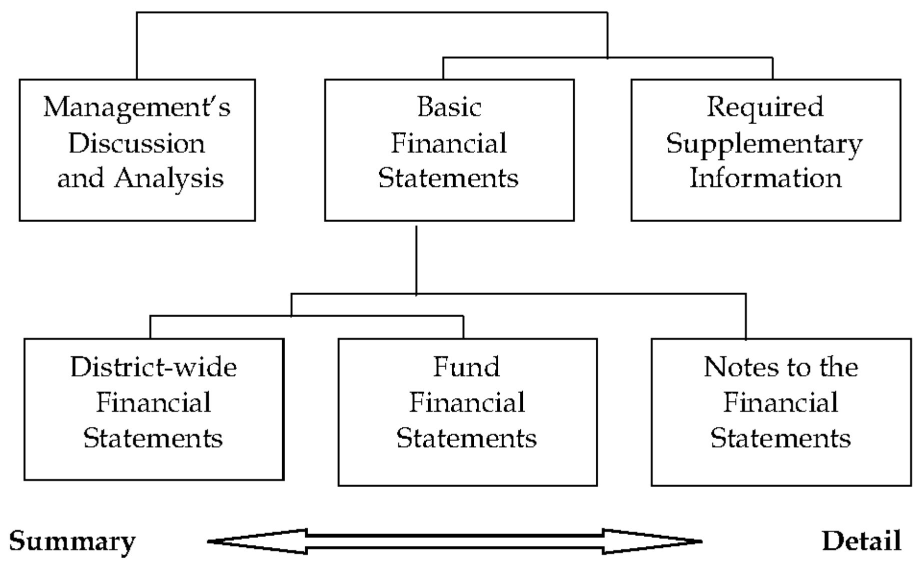
- The total of the District's fixed assets, land, site, buildings, and equipment, valued on an acquisition cost basis was $79.4 million. After depreciation, the June 30, 2016 book value for fixed assets totaled $50.2 million.

- In complying with GASB 68, the District recognized its portion of the unfunded STRS and PERS pension liabilities for the first time in 2014-2015. These liabilities are based on the most recent actuarial valuations. The District's portion of the unfunded STRS and PERS pension liability increased $2.5 million in 2015-2016 and is reported in the Statement of Net Position. The net pension liability is unlike most other liabilities and debts reported on the District's Statement of Net Position, in that it is not immediately due and cannot be paid off under any accelerated schedule. Contribution rates are set in statute. As a result, an employer would not be able to remit payment, in addition to their statutory contribution amount for their proportionate share of the net pension liability in order to remove this liability from their financial statements. What the standard appears to have done is show the contributions were insufficient to stem the unfunded liability growth and why there have been and will continue to be legislative changes to Education Code that affect defined benefit contribution rates.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. These statements are organized so the reader can understand the Nevada Joint Union High School District as a financial whole; an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

Components of the Financial Section



The first two statements are *district-wide financial statements,* the Statement of Net Position and Statement of Activities. These statements provide information about the activities of the whole District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the District's more significant funds with all other non-major funds presented in total in one column. A comparison of the District's general fund budget is included.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONTINUED)

Components of the Financial Section (Concluded)

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Reporting the District as a Whole

Statement of Net Position and the Statement of Activities

These two statements provide information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and liabilities using the accrual basis of accounting. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These statements report information on the district as a whole and its activities in a way that helps answer the question, "How did we do financially during 2015-2016?"

These two statements report the District's net position and changes in that position. This change in net position is important because it tells the reader that, for the District as a whole, the financial position of the District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Over time, the increases or decreases in the District's net position, as reported in the Statement of Activities, are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses indicates the District's operating results. However, the District's goal is to provide services to our students, not to generate profits as commercial entities. One must consider many other non-financial factors, such as the quality of education provided and the safety of the schools to assess the overall health of the District.

- Increases or decreases in the net position of the District over time are indications of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as condition of school buildings and other facilities, and changes to the property tax base of the District need to be considered in assessing the overall health of the District.

OVERVIEW OF THE FINANCIAL STATEMENTS (CONCLUDED)

Reporting the District's Most Significant Funds

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required to be established by State law. However, the District establishes other funds to control and manage money for specific purposes.

- Governmental Funds

  Most of the District's activities are reported in governmental funds. The major governmental fund of the District is the General Fund. Governmental funds focus on how money flows into and out of the funds and the balances that remain at the end of the year. They 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 operations and services that help determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

- Fiduciary Funds

  The District is the trustee, or fiduciary, for its scholarship fund and for its student activity funds. All of the District's fiduciary activities are reported in separate 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.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

The School District as a Whole

The District's net position was $9.2 million at June 30, 2016. Of this amount a deficit $21.4 million was unrestricted. Net investment in capital assets account for $28.3 million of the total net position. A comparative analysis of government-wide data is presented in Table 1.

Table 1
Comparative Statement of Net Position

	Governmental Activities	
	2016	2015
ASSETS		
Cash	$ 9,766,851	$ 8,336,775
Receivables	2,232,543	1,948,016
Stores inventory	7,725	5,668
Prepaid expenditures	8,858	480
Capital assets	40,348,158	41,716,326
Total assets	52,364,135	52,007,265
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows on pensions	3,526,886	1,621,464
Deferred payment on debt refunding	189,347	201,970
Total deferred outflows of resources	3,716,233	1,823,434
LIABILITIES		
Accounts payable and other current liabilities	2,343,138	2,016,771
Unearned revenue	592,408	204,124
Unamortized bond premiums	498,567	531,805
Long-term liabilities	38,825,450	37,087,716
Total liabilities	42,259,563	39,840,416
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows on pensions	4,661,901	5,784,140
NET POSITION		
Net investment in capital assets	28,318,228	29,160,059
Restricted	2,249,511	2,489,027
Unrestricted (deficit)	(21,408,835)	(23,442,943)
Total net position	$ 9,158,904	$ 8,206,143

The implementation of GASB 68 in the fiscal year ended June 30, 2015, resulted in deficit restricted net position.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONTINUED)

The District's net position increased $953 thousand this fiscal year (See Table 2). The District's expenses for instructional and pupil services represented 75% of total expenses. The purely administrative activities of the District accounted for just 8% of total costs. The remaining 17% was spent in the areas of plant services and other expenses, interest on long-term debt and other outgo. (See Figure 2).

Table 2
Comparative Statement of Change in Net Position

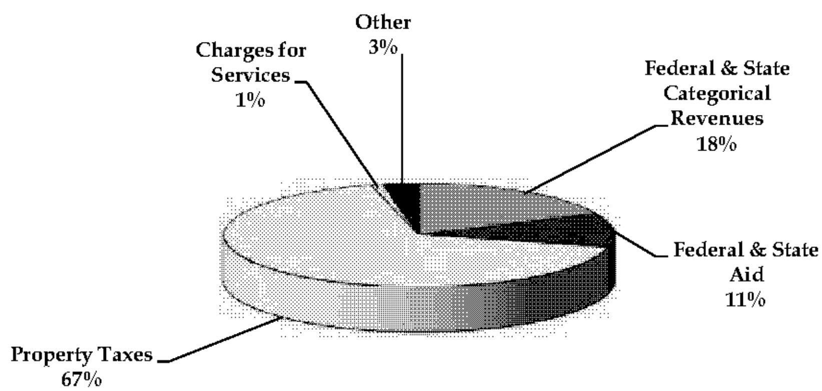
	Governmental Activities	
	2016	2015
REVENUES		
Program revenues	$ 6,528,774	$ 6,583,903
General revenues		
Taxes levied for general purposes	23,017,049	21,010,048
Taxes levied for other specific purposes	38,633	228,855
Taxes levied for debt service	853,475	877,175
Federal and State Aid not restricted to specific purposes	3,993,365	3,888,675
Interest and investment earnings	64,377	47,601
Miscellaneous	1,096,769	1,089,241
Total revenues	35,592,442	33,725,498
EXPENSES		
Instruction	17,830,248	17,326,948
Instruction related services	3,612,279	3,682,158
Pupil support services	4,462,881	4,143,446
General administration	2,758,437	2,412,742
Plant services	3,727,526	4,006,708
Other	2,248,310	2,195,329
Total expenses	34,639,681	33,767,331
Increase (Decrease) in net position	$ 952,761	$ (41,833)

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS (CONCLUDED)

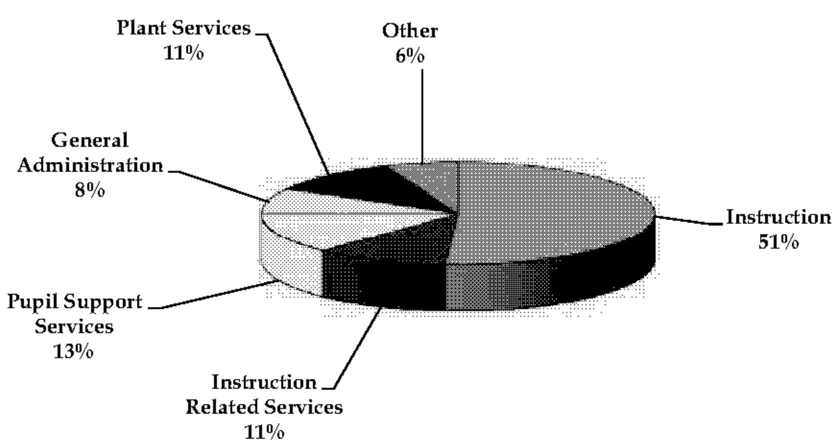
Governmental Activities

As reported in the Statement of Activities, the cost of all of the District's governmental activities this year was $34.6 million. The amount that our local taxpayers financed for these activities through property taxes was $23.9 million. Federal and State aid not restricted to specific purposes totaled $4.0 million. State and Federal Categorical revenue totaled over $6.3 million, or 18% of the revenue of the entire District (See Figure 1).

Sources of Revenue for the 2015-2016 Fiscal Year
Figure 1



Expenses for the Fiscal Year 2015-2016
Figure 2



FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The fund financial statements focus on individual parts of the District's operations in more detail than the government-wide statements. The District's individual fund statements provide information on inflows and outflows and balances of spendable resources. The District's Governmental Funds reported a combined fund balance of $9.3 million, an increase of $1 million from the previous fiscal year's combined ending balance of $8.3 million. This increase is primarily reflected in the General Fund which increased $900 thousand.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget monthly. The significant budget adjustments fell into the following categories:

- Budget revisions to the adopted budget required after approval of the State budget.
- Budget revisions to update revenues to actual enrollment information and to update expenditures for staffing adjustments related to actual enrollments.
- Budget revisions approved throughout the year resulted in increases to Capital Outlay primarily for new construction and modernization projects.
- Other budget revisions are routine in nature, including adjustments to categorical revenues and expenditures based on final awards, and adjustments between expenditure categories for school and department budgets.

The final revised budget for the General Fund reflected a net decrease to the ending balance of $241 thousand.

The District ended the year with $6.7 million in the General Fund ending balance, of which $1.2 million is reserved for economic uncertainties. The remaining balance is made up of restricted, assigned, and unassigned fund balances. The State recommends an ending reserve for economic uncertainties of 3% of total outgo. The District's ending reserve was 5.6%.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of the 2015-2016 fiscal year, the District had invested $71.4 million in a broad range of capital assets, including school buildings, athletic facilities, administrative buildings, site improvements, vehicles, and equipment. The capital assets net of depreciation were $40.4 million at June 30, 2016, which is a decrease of $1.4 million from the previous year.

CAPITAL ASSET AND DEBT ADMINISTRATION (CONTINUED)

Capital Assets (Concluded)

Table 3
Comparative Schedule of Capital Assets
(net of depreciation)
June 30, 2016 and 2015

	2016	2015	Difference Increase (Decrease)
Land	$ 1,203,396	$ 1,203,396	
Site Improvements	1,646,728	1,533,306	$ 113,422
Buildings	36,879,951	38,320,456	(1,440,505)
Machinery and Equipment	521,346	516,318	5,028
Work in Process	96,737	142,850	(46,113)
Totals	$ 40,348,158	$ 41,716,326	$ (1,368,168)

Additions included track, gutter and wall system improvement projects at Nevada Union High and soccer field improvements at Bear River. There were also District-wide energy saving improvements and various equipment purchases made. The District recognized depreciation expense of $2 million. On April 13, 2016, the McCourtney Road school site was declared surplus property by the Board with the intent to sell the property in the future.

Long-Term Debt

At June 30, 2016, the District had $38.8 million in long-term debt outstanding.

Table 4
Comparative Schedule of Outstanding Debt
June 30, 2016 and 2015

	2016	2015
General Obligation Bonds	$ 11,983,700	$ 12,488,700
Accreted Interest	409,506	360,278
Other Post-employment Benefits	1,450,403	1,504,183
Early Retirement Incentives	693,252	924,336
Compensated Absences	112,201	107,367
Energy Loan	46,230	67,567
Net Pension Liability	24,130,158	21,635,285
Totals	$ 38,825,450	$ 37,087,716

CAPITAL ASSET AND DEBT ADMINISTRATION (CONCLUDED)

Long-Term Debt (Concluded)

The District continues to maintain excellent credit ratings on all of its debt issues. The S&P underlying rating (uninsured) for the General Obligation Refunding Bonds issued in 2014 was Aa2.

The long-term debt paid by the District was approximately $526 thousand in 2015-2016.

FACTORS BEARING ON THE DISTRICT'S FUTURE

The Local Control Funding Formula (LCFF) is aimed at correcting historical inequities while decreasing previous constraints on restricted program expenses. The formula is intended to make funding more transparent and simple. With the new flexibility also come new requirements for accountability. The Local Control Accountability Plan (LCAP) is mandated and must be aligned and adopted with the District's 2016-2016 budget. The LCAP is expected to describe how the District intends to meet annual goals for all pupils, with specific activities to address state and local priorities identified during the LCAP development process.

As a basic aid district, property taxes are the largest unknown for the District. Under the current LCFF funding structure, basic aid districts will continue to retain local property tax revenues and continue to see their funding rise as property tax revenues increase. However, this may not be the case for our District as we pay out excess taxes to two charter schools for the District's students that attend those schools. These transfers throw the district out of basic aid (Ed. Code Section 47663) and into funding in the form of basic aid supplement. Because this funding is based on the District of residence for every student attending the charters that is outside the Nevada Joint Union School District boundaries, it will be much more volatile and difficult to project and plan for the "out years." This unpredictability creates a greater need for a larger reserve than past years.

Enrollment decline and the State's economic condition are major factors affecting the District's future. The District's enrollment has decreased each year since 1998-1999. Student enrollment and attendance are primary factors in the computation of most funding formulas for public schools in the State of California. If the District enrollment continues to decline, we lose State revenue but do not lose expenses at the same rate.

If the District enrollment continues to decline, the District's revenue will likely decline and require further budget reductions. The future of the District's health requires management to plan carefully and prudently to provide the resources to meet student needs.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact Karen Suenram, Assistant Superintendent, Business, (530) 273-3351 ext. 210.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash (Note 2)	$ 9,766,851
Accounts Receivable (Note 3)	2,232,543
Stores Inventory (Note 1H)	7,725
Prepaid Expenses (Note 1H)	8,858
Capital Assets, Net of Depreciation (Note 5)	40,348,158
Total Assets	52,364,135
DEFERRED OUTFLOWS OF RESOURCES (NOTE 1H)	
Deferred Outflows on Pensions	3,526,886
Deferred Outflows on Debt Refunding	189,347
Total Deferred Outflows of Resources	3,716,233
LIABILITIES	
Accounts Payable and Other Current Liabilities	2,343,138
Unearned Revenue (Note 1H)	592,408
Unamortized Bond Premiums (Note 6)	498,567
Long-term Liabilities (Note 7)	
Due Within One Year	764,622
Due After One Year	38,060,828
Total Liabilities	42,259,563
DEFERRED INFLOWS OF RESOURCES (NOTE 1H)	
Deferred Inflows on Pensions	4,661,901
NET POSITION	
Net Investment in Capital Assets	28,318,228
Restricted For:	
Capital Projects	822,385
Debt Service	683,188
Education Programs	706,634
Other Purposes (Expendable)	9,356
Other Purposes (Nonexpendable)	27,948
Unrestricted (Deficit)	(21,408,835)
Total Net Position	$ 9,158,904

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Governmental Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Instruction	$ 17,830,248		$ 4,378,249	$ (13,451,999)
Instruction-Related Services:				
Supervision of Instruction	198,955		16,477	(182,478)
Instructional Library, Media and Technology	791,199		11,847	(779,352)
School Site Administration	2,622,125		489,148	(2,132,977)
Pupil Services:				
Home-To-School Transportation	1,400,339		240,629	(1,159,710)
Food Services	670,520	$ 204,208	360,957	(105,355)
All Other Pupil Services	2,392,022		479,764	(1,912,258)
General Administration:				
Data Processing	1,290,043		20,965	(1,269,078)
All Other General Administration	1,468,394	10,572	237,944	(1,219,878)
Plant Services	3,727,526	2,680	16,908	(3,707,938)
Ancillary Services	1,394,012		39,686	(1,354,326)
Community Services	18,549		3,134	(15,415)
Interest on Long-Term Debt	485,173			(485,173)
Other Outgo	350,576	1,840	13,766	(334,970)
Total Governmental Activities	$ 34,639,681	$ 219,300	$ 6,309,474	(28,110,907)

General Revenues:	
Property Taxes Levied For:	
General Purposes	23,017,049
Debt Service	853,475
Other Specific Purposes	38,633
Federal and State Aid Not Restricted to Specific Purposes	3,993,365
Interest and Investment Earnings	64,377
Miscellaneous	1,096,769
Total General Revenues	29,063,668
Change in Net Position	952,761
Net Position Beginning	8,206,143
Net Position Ending	$ 9,158,904

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash (Note 2)	$ 7,059,577	$ 2,707,274	$ 9,766,851
Accounts Receivable (Note 3)	2,092,098	140,445	2,232,543
Due From Other Funds (Note 4)	58,029	449	58,478
Stores Inventory (Note 1H)		7,725	7,725
Prepaid Expenditures (Note 1H)	8,858		8,858
Total Assets	$ 9,218,562	$ 2,855,893	$ 12,074,455
LIABILITIES AND FUND BALANCE			
Liabilities:			
Accounts Payable	$ 1,880,161	$ 272,174	$ 2,152,335
Unearned Revenue (Note 1H)	592,408		592,408
Due to Other Funds (Note 4)		58,478	58,478
Total Liabilities	2,472,569	330,652	2,803,221
Fund Balances (Note 1H):			
Nonspendable	18,858	9,090	27,948
Restricted	611,962	1,600,511	2,212,473
Committed		325,251	325,251
Assigned	4,314,674	590,389	4,905,063
Unassigned	1,800,499		1,800,499
Total Fund Balances	6,745,993	2,525,241	9,271,234
Total Liabilities and Fund Balances	$ 9,218,562	$ 2,855,893	$ 12,074,455

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total fund balance - governmental funds			$	9,271,234
Amounts reported for governmental activities in the statement of net position are different because:				
Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.				
Capital assets, at historical cost	$	71,377,577		
Accumulated depreciation		(31,029,419)		
Net				40,348,158
Unamortized debt issue premium: In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium is amortized as interest over the life of the debt. Unamortized premium at year-end was:				(498,567)
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:				(190,803)
Deferred outflows of resources relating to debt refundings are not reported in governmental funds. In the government-wide financial statements, the balance is amortized as a reduction in annual interest expense ofver the life of the related debt. Unamortized deferred outflow of resources relating to debt refunding was:				189,347
Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:				
General obligation bonds	$	11,983,700		
Accreted interest		409,506		
Other post-employment benefits		1,450,403		
Net pension liability		24,130,158		
Early retirement incentives		693,252		
Compensated absences		112,201		
Energy Loan		46,230		
Total				(38,825,450)
Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions and bond refunding are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions and bond refunding are:				
Deferred outflows of resources relating to pensions	$	3,526,886		
Deferred inflows of resources relating to pensions		(4,661,901)		
Net				(1,135,015)
Total net position - governmental activities			$	9,158,904

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Local Control Funding Formula Sources			
State Apportionments	$ 8,967,693	$ 140,856	$ 9,108,549
Local Sources	15,860,155		15,860,155
Total Local Control Funding Formula Sources	24,827,848	140,856	24,968,704
Federal Revenue	1,735,313	354,384	2,089,697
Other State Revenue	3,812,823	243,665	4,056,488
Other Local Revenue	2,518,092	1,692,649	4,210,741
Total Revenues	32,894,076	2,431,554	35,325,630
EXPENDITURES			
Certificated Salaries	13,353,506	177,512	13,531,018
Classified Salaries	5,074,871	369,354	5,444,225
Employee Benefits	6,764,509	146,514	6,911,023
Books and Supplies	1,445,841	292,130	1,737,971
Services and Other Operating Expenditures	4,667,963	210,089	4,878,052
Capital Outlay	111,846	367,650	479,496
Debt Service:			
Principal Retirement	21,337	505,000	526,337
Interest and Fiscal Charges		461,350	461,350
Other Outgo	298,505	52,056	350,561
Total Expenditures	31,738,378	2,581,655	34,320,033
Excess of Revenues Over (Under) Expenditures	1,155,698	(150,101)	1,005,597
Other Financing Sources (Uses):			
Operating Transfers In (Note 4)	6,006	256,923	262,929
Operating Transfers Out (Note 4)	(256,923)	(6,006)	(262,929)
Total Other Financing Sources (Uses)	(250,917)	250,917	0
Excess of Revenues and Other Financing Sources Over Expenditures and Other Uses	904,781	100,816	1,005,597
Fund Balances - July 1, 2015	5,841,212	2,424,425	8,265,637
Fund Balances - June 30, 2016	$ 6,745,993	$ 2,525,241	$ 9,271,234

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Net change in fund balances - total governmental funds		$ 1,005,597
Amounts reported for governmental activities in the statement of activities are different because:		
Capital outlay: In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period was:		
Expenditures for capital outlay:	$ 620,289	
Depreciation expense:	(1,987,607)	
Net:		(1,367,318)
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		526,337
Pensions: In government funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:		532,788
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:		(44,438)
Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and compensated absences earned was:		(4,834)
Postemployment benefits other than pensions (OPEB): In governmental funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was:		53,780
Other liabilities not normally liquidated with current financial resources: In the government-wide statements, expenses must be accrued in connection with any liabilities incurred during the period that are not expected to be liquidated with current financial resources, in addition to compensated absences and long-term debt. Examples include special termination benefits such as retirement incentives financed over time, and structured legal settlements. This year, expenses incurred for such obligations were:		231,084
Cost write-off for canceled capital projects: If a planned capital project is canceled and will not be completed, costs previously capitalized as Work in Progress must be written off to expense. Costs written off for canceled projects were:		(850)
Amortization of debt issue premium and deferred gain from debt refunding: In governmental funds, if debt is issued at a premium, the premium is recognized as an Other Financing Source in the period it is incurred. In the government-wide statements, the premium plus any deferred gain from debt refunding, is amortized as interest over the life of the debt. Amortization of debt issue premium and deferred gain from debt refunding, for the period was:		20,615
Total change in net position		$ 952,761

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2016

	Trust Fund	Agency Fund
	Scholarship Fund	Student Body Accounts
ASSETS		
Cash (Note 2)	$ 1,350,164	$ 747,463
Total Assets	$ 1,350,164	$ 747,463
LIABILITIES		
Due to Student Groups		$ 747,463
Total Liabilities	$ 0	$ 747,463
NET POSITION		
Held in Trust For Other Purposes	$ 1,350,164	
Total Net Position	$ 1,350,164	$ 0

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Trust Fund
	Scholarship Fund
ADDITIONS	
Donations and Gifts	$ 108,122
Interest and Investment Earnings	10,428
Total Additions	118,550
DEDUCTIONS	
Scholarships	134,125
Total Deductions	134,125
Change (Decrease) in Net Position	(15,575)
Total Net Position - July 1, 2015	1,365,739
Total Net Position - June 30, 2016	$ 1,350,164

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The District accounts for its financial transactions in accordance with the policies and procedures of the Department of Education's California School Accounting Manual. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (AICPA).

A. Reporting Entity

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, boards and agencies that are not legally separate from the District. For Nevada Joint Union High School District, this includes general obligations, food service and student related activities of the District. The District has considered all potential component units in determining how to define the reporting entity, using criteria set forth in generally accepted accounting principles. The District determined that there are no potential component units that meet the criteria for inclusion within the reporting entity.

B. Basis of Presentation

Government-wide Financial Statements:

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component units.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of the fiduciary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental funds.

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Basis of Presentation (Concluded)

Fund Financial Statements:

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

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Fiduciary funds are reported using the economic resources measurement focus and the modified accrual basis of accounting.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

Revenues - exchange and non-exchange transactions:

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Continued)

Revenues - exchange and non-exchange transactions (Concluded):

Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as unearned revenue. On governmental fund financial statements, receivables associated with non-exchange transactions that will not be collected within the availability period have also been recorded as unearned revenue.

Expenses/expenditures:

On the accrual basis of accounting, expenses are recognized at the time a liability is incurred. On the modified accrual basis of accounting, expenditures are generally recognized in the accounting period in which the related fund liability is incurred, as under the accrual basis of accounting. However, under the modified accrual basis of accounting, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Allocations of cost, such as depreciation and amortization, are not recognized in the governmental funds.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. Expenditures incurred in the unrestricted resources shall be reduced first from the committed resources, then from assigned resources and lastly, the unassigned resources.

Pensions:

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the State Teachers Retirement Plan (STRS) and the CalPERS Schools Pool Cost-Sharing Multiple Employer Plan (PERS) and additions to/deductions from STRS' and PERS' fiduciary net positions have been determined on the same basis as they are reported separately by STRS and PERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting (Concluded)

Pensions (Concluded):

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Measurement Period	July 1, 2014 to June 30, 2015

D. Fund Accounting

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

General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District accounts separately for activity in the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Postemployment Benefits. These funds are reported in the General Fund in the financial statements to conform with GASB 54 requirements.

Additionally, the District reports the following fund types:

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net position and changes in net position.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (private purpose and agency). Because by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Budgets and Budgetary Accounting

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

These budgets are revised by the District's Board of Trustees and District Superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund as required supplementary information in the financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

F. Encumbrances

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

G. 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.

H. Assets, Liabilities and Equity

1. Deposits and Investments

Cash balances held in commercial bank accounts are insured to $250,000 by the Federal Deposit Insurance Corporation.

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

1. Deposits and Investments (Concluded)

The county is authorized to deposit cash and invest excess funds by California *Government Code* Section 53648 et seq. The funds maintained by the county either are secured by federal depository insurance or are collateralized.

Investments Valuation - In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available. However, the District's financial statements do not reflect the fair value of investments as the differences between total investment cost and fair value has been determined to be immaterial.

2. Stores Inventory and Prepaid Expenditures

Inventories are recorded using the consumption method, in that inventory acquisitions are initially recorded in inventory (asset) accounts, and are charged as expenditures when used. Reported inventories are equally offset by nonspendable fund balance, which indicates that these amounts are not "available for appropriation and expenditure" even though they are a component of net current assets. The District's cafeteria inventory valuation is First-in-First-out (FIFO).

Prepaid expenditures (expenses) represent amounts paid in advance of receiving goods or services. The District has the option of reporting an expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditures in the period it benefits.

3. Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over an estimated useful life of 5-50 years depending on the asset class.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

4. Deferred Outflows/Inflows of Resources

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

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

5. Unearned Revenue

Cash received for federal and state special projects and programs is recognized as revenue to the extent that qualified expenditures have been incurred. Unearned revenue is recorded to the extent that cash received on specific projects and programs exceeds qualified expenditures.

6. Compensated Absences

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expense in the period taken, since such benefits do not vest, nor is payment probable; however, unused sick leave is added to the creditable service period for calculation of retirement benefits when the employee retires.

At retirement, each classified 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.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that attributed to the acquisition, construction, or improvement of the assets.

Restricted Net Position - This amount is restricted by external creditors, grantors, contributors, laws or regulations of other governments.

Unrestricted Net Position - This amount is all net position that does not meet the definition of "net investment in capital assets "or "restricted net position."

8. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position is available, the District's policy is to apply restricted net position first.

9. Fund Equity

In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned, based primarily on the extent to which the District is bound to honor constraints on how specific amounts are to be spent:

Nonspendable Fund Balance - Includes the portions of fund balance not appropriable for expenditures.

Restricted Fund Balance - Includes amounts subject to externally imposed and legally enforceable constraints.

Committed Fund Balance - Includes amounts subject to District constraints self-imposed by formal action of the District Governing Board.

Assigned Fund Balance - Includes amounts the District intends to use for a specific purpose. Assignments may be established by the District Governing Board, or the Chief Business Official of the District.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

9. Fund Equity (Continued)

Unassigned Fund Balance - Includes the residual balance that has not been assigned to other funds and is not restricted, committed, or assigned to specific purposes.

Fund Balances

The District's fund balances at June 30, 2016 consisted of the following:

	General Fund	Other Governmental Funds	Total
Nonspendable:			
Revolving Fund	$ 10,000	$ 1,365	$ 11,365
Stores Inventory		7,725	7,725
Prepaid Expenditures	8,858		8,858
Total Nonspendable Fund Balance	18,858	9,090	27,948
Restricted For:			
Legally Restricted Categorical Funding	611,962	94,672	706,634
Purposes Specified in Government Code Sections 65970-65981		822,385	822,385
Debt Service Payments		683,188	683,188
Cafeteria Program Operations		266	266
Total Restricted Fund Balance	611,962	1,600,511	2,212,473
Committed For:			
Deferred Maintenance Projects		325,251	325,251
Total Committed Fund Balance	0	325,251	325,251
Assigned For:			
Capital Projects		590,389	590,389
Unspent Site Carryover	598,597		598,597
Program Carryover	1,884,290		1,884,290
PARS Payment	680,543		680,543
CSEA Retirement Health Benefits	657,018		657,018
Donations	29,116		29,116
Accrued Vacation	112,202		112,202
Verizon Cell Tower	113,592		113,592
Facility Use Billing	239,316		239,316
Total Assigned Fund Balance	4,314,674	590,389	4,905,063
Unassigned:			
Reserve for Economic Uncertainties	1,216,095		1,216,095
Other Unassigned	584,404		584,404
Total Unassigned Fund Balance	1,800,499	0	1,800,499
Total Fund Balances	$ 6,745,993	$ 2,525,241	$ 9,271,234

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Continued)

9. Fund Equity (Concluded)

Fund Balances (Concluded)

Amounts reported for the General Fund includes amounts for the Special Reserve Fund for Other Than Capital Outlay Projects and the Special Reserve Fund for Post-Employment Benefits.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain unrestricted fund balance in its General Fund sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels because of temporary revenue shortfalls or unpredicted one-time expenditures.

The District has adopted a policy to achieve and maintain unrestricted fund balance in the General Fund of 8% of total General Fund expenditures, other uses and transfers out at the close of each fiscal year, higher than the recommended level promulgated by the State of California of 3%. If the unrestricted fund balance drops below 8% it shall be recovered at a rate of 1% minimally, each year.

Additional detailed information, along with the complete *Fund Balance Policy* can be obtained from the District.

10. Local Control Funding Formula/Property Tax

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

The county is responsible for assessing, collecting, and apportioning property taxes. Taxes are levied for each fiscal year on taxable real and personal property in the county. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the lien date (January 1), and become delinquent if unpaid by August 31.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Assets, Liabilities and Equity (Concluded)

10. Local Control Funding Formula/Property Tax (Concluded)

Secured property taxes are recorded as revenue when apportioned, in the fiscal year of the levy. The county apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the California *Revenue and Taxation Code.* This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll - approximately October 1 of each year.

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

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

The District's Local Control Funding Formula Revenue is the amount of general-purpose tax revenue, per average daily attendance (ADA), that the District is entitled to by law. This amount is multiplied by the second period ADA to derive the District's total entitlement.

I. Impact of Recently Issued Accounting Principles

The GASB issued Statement 72, *Fair Value Measurement and Application* in February 2015 to enhance comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using consistent and accepted valuation techniques. The Statement is effective beginning in fiscal year 2015-2016.

The GASB issued Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* in June 2015. The requirements of this Statement will improve financial reporting by establishing a single framework for the presentation of information about pensions, which will enhance the comparability of pension-related information reported by employers and nonemployer contributing entities. The Statement is effective beginning in fiscal year 2015-2016.

The GASB issued Statement 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* in June 2015. The Statement will require enhanced note disclosures and schedules of required supplementary information that will be presented for other post-employment benefit plans (OPEB) to enhance the decision-usefulness of the financial reports of those OPEB plans. The Statement is effective beginning in fiscal year 2016-2017.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONCLUDED)

I. Impact of Recently Issued Accounting Principles (Concluded)

The GASB issued Statement 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in June 2015. The requirements of this Statement will improve the decision-usefulness of financial information and will enhance its value for assessing accountability and interperiod equity by requiring recognition of the entire OPEB liability and a more comprehensive measure of OPEB expense. The Statement is effective beginning in fiscal year 2017-2018.

The GASB issued Statement 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments* superseding Statement No. 55 in June 2015. The GAAP hierarchy consists of the sources of accounting principles used to prepare financial statements in conformity with GAAP and the framework for selecting those principles. As a result of implementing this Standard, governments will apply financial reporting guidance with less variation, which will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. The Statement is effective beginning in fiscal year 2015-2016.

The GASB issued Statement 77, *Tax Abatement Disclosures* in August 2015. The Statement requires disclosure of tax abatement information to make these transactions more transparent to financial statement users. Users will be better equipped to understand how tax abatements affect a government's future ability to raise resources and the impact those abatements have on a government's financial position and economic condition. The Statement is effective beginning in fiscal year 2016-2017.

The Office of Management and Budget issued the guidance *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance for Federal Awards) on December 29, 2013 which supersedes and streamlines requirements from eight different circulars into one document. The new administrative requirements and cost principles are required to be implemented for all federal awards made after December 26, 2014. The Uniform Guidance for Federal Awards applies to the District's federal awards received in fiscal year 2015-2016.

NOTE 2 - CASH

A. Summary of Cash

The following is a summary of cash at June 30, 2016:

Governmental Activities	Fiduciary Funds	Total
$9,766,851	$2,097,627	$11,864,478

NOTE 2 – CASH (CONTINUED)

A. Summary of Cash (Concluded)

The District had the following cash at June 30, 2016:

	Fair Value	Carrying Amount	Credit Quality Rating
Cash in Commercial Banks	$ 828,603	$ 828,603	Not Rated
Cash in Revolving Fund	11,365	11,365	Not Rated
Cash in County Treasury	11,084,343	11,024,510	Not Rated
Total Cash	$ 11,924,311	$ 11,864,478	

B. Policies and Practices

The District is authorized by State statutes and in accordance with the District's Investment Policy (Policy) to invest in the following:

- Securities issued or guaranteed by the Federal Government or its agencies

- State Local Agency Investment Fund (LAIF)

- Insured and/or collateralized certificates of deposit

The Policy, in addition to State statues, establishes that funds on deposit in banks must be federally insured or collateralized and investments shall (1) have maximum maturity not to exceed five years, (2) be laddered and based on cash flow forecasts; and (3) be subject to limitations to a certain percent of the portfolio for each of the authorized investments. The District's investments comply with the established policy.

Cash in Commercial Banks

Cash balances held in commercial bank accounts are insured to $250,000 by the Federal Deposit Insurance Corporation. These amounts are held within various financial institutions. As of June 30, 2016 the carrying amount of the District's accounts was $839,968. Of this amount, $589,968 was uninsured. The District has not experienced any losses in these accounts.

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

B. Policies and Practices (Concluded)

Cash in County Treasury

In accordance with *Education Code* Section 41001, the District maintains substantially all of its cash with the County Treasury as an involuntary participant of a common investment pool, which totaled $171,062,681. The fair market value of this pool as of that date, as provided by the pool sponsor, was $171,991,085. Interest is deposited into participating funds. The balance available for withdrawal is based on the accounting records maintained by the county treasurer, which is recorded on the amortized cost basis.

C. Risk Disclosures

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures.

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 and having the pool purchase a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

At June 30, 2016 the District had the following investment maturities:

		Investment Maturities (In Years)		
Investment Type	Fair Value	Less than 1	1 to 4	More than 4
County Treasury	$ 11,084,343	$ 4,486,942	$ 4,874,894	$ 1,722,507

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The county is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk.

NOTE 2 - CASH AND INVESTMENTS (CONCLUDED)

C. Risk Disclosures (Concluded)

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Concentration of Credit Risk - This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Foreign Currency Risk - This is the risk that exchange rate will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2016 consist of the following:

	General Fund	Other Governmental Funds	Total
Federal Government			
Categorical Aid Programs	$ 970,699	$ 65,508	$ 1,036,207
State Government			
Categorical Aid Programs	607,194	53,380	660,574
Lottery	116,531		116,531
Other	220		220
Total State Government	723,945	53,380	777,325
Local Government	340,881	9,755	350,636
Miscellaneous	56,573	11,802	68,375
Total Accounts Receivable	$ 2,092,098	$ 140,445	$ 2,232,543

NOTE 4 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transactions among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Receivables/Payables (Due From/Due To)

Individual fund interfund receivable and payable balances at June 30, 2016 are as follows:

	Interfund Receivables	Interfund Payables
Major Governmental Funds:		
General Fund	$ 58,029	
Non-Major Governmental Funds:		
Adult Education Fund		$ 17,597
Cafeteria Fund	449	40,432
Special Reserve Fund for Capital Outlay Projects		449
Total	$ 58,478	$ 58,478

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for the 2015-2016 fiscal year were as follows:

	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 6,006	$ 256,923
Non-Major Governmental Funds:		
Cafeteria Fund	111,067	6,006
Deferred Maintenance Fund	140,856	
Special Reserve Fund for Capital Outlay Projects	5,000	
Total	$ 262,929	$ 262,929

NOTE 4 - INTERFUND TRANSACTIONS (CONCLUDED)

Interfund Transfers (Concluded)

Transfer from the General Fund to the Special Reserve Fund for Capital Outlay Projects for Bear River Pool to match the contractual contribution received from Bear River Parks and Recreation District.	$ 5,000
Transfer from the General Fund to the Deferred Maintenance Fund for deferred maintenance projects.	$140,856
Transfer from the General Fund to the Cafeteria Fund to supplement program operations and provide positive cash flow.	$111,067
Transfer from the Cafeteria Fund to the General Fund for CSEA retirement benefits.	$ 6,006

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2016 is shown below:

	Balance July 01, 2015	Additions	Deductions	Balance June 30, 2016
Capital assets, not being depreciated:				
Land	$ 1,203,396			$ 1,203,396
Work in progress	142,850	$ 96,737	$ 142,850	96,737
Total capital assets, not being depreciated	1,346,246	96,737	142,850	1,300,133
Capital assets being depreciated:				
Buildings	63,449,120	252,257		63,701,377
Improvements of sites	3,383,813	253,528		3,637,341
Equipment	2,578,959	159,767		2,738,726
Total capital assets, being depreciated	69,411,892	665,552	0	70,077,444
Less accumulated depreciation for:				
Buildings	25,128,664	1,692,762		26,821,426
Improvements of sites	1,850,507	140,106		1,990,613
Equipment	2,062,641	154,739		2,217,380
Total accumulated depreciation	29,041,812	1,987,607	0	31,029,419
Total capital assets, being depreciated, net	40,370,080	(1,322,055)	0	39,048,025
Governmental activities capital assets, net	$ 41,716,326	$ (1,225,318)	$ 142,850	$ 40,348,158

NOTE 5 - CAPITAL ASSETS AND DEPRECIATION (CONCLUDED)

Depreciation expense was charged to governmental activities as follows:

Governmental Activities:

Instruction	$	1,554,818
Instruction-Related Services		240,017
School Site Administration		16,251
Food Services		11,501
General Administration		2,436
Plant Services		35,343
Ancillary Services		102,868
Centralized Date Processing		24,373
Total	$	1,987,607

NOTE 6 - UNAMORTIZED BOND PREMIUMS

The District sold its 2014 Refunding Bonds at a premium of $565,043. The premium is being amortized using the straight-line method over the life of the bond issue as a reduction in annual interest expense.

The annual amortization of the bond premiums is as follows:

Year Ended June 30		Annual Amortization
2017	$	33,238
2018		33,238
2019		33,238
2020		33,238
2021		33,238
2022-2026		166,190
2027-2031		166,187
Totals	$	498,567

NOTE 7 – LONG-TERM DEBT

A schedule of changes in long-term debt for the year ended June 30, 2016 is shown below.

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016	Due Within One Year
General Obligation Bonds	$ 12,488,700		$ 505,000	$ 11,983,700	$ 400,000
Accreted Interest	360,278	$ 49,228		409,506	
Other Post Employment Benefits	1,504,183	260,148	313,928	1,450,403	
Early Retirement Incentives	924,336		231,084	693,252	231,084
Compensated Absences	107,367	4,834		112,201	112,201
Energy Loan	67,567		21,337	46,230	21,337
Net Pension Liability	21,635,285	2,494,873		24,130,158	
Totals	$ 37,087,716	$ 2,809,083	$ 1,071,349	$ 38,825,450	$ 764,622

Payments on the General Obligation Bonds will be made from the Bond Interest and Redemption Fund. Payments for all other obligations are expected to be paid from the General Fund.

NOTE 8 - GENERAL OBLIGATION BONDS

On December 22, 2011, the District issued General Obligation Refunding Bonds in the amount of $6,330,000, to refund a portion of the 2002 Series A General Obligation Current Interest and Capital Appreciation Bonds. The 2011 General Obligation Refunding Bonds are payable from the ad valorem taxes to be levied annually upon all property subject to taxation by the District. The refunding bonds bear interest rates ranging from 3% to 5% and are scheduled to mature through August 1, 2016.

On December 3, 2014, the District issued $6,410,000 of 2014 General Obligation Refunding Bonds. The proceeds from the bonds were used to advance refund outstanding 2002 General Obligation Bonds, Series B. The bonds were issued as current interest bonds with an interest rate ranging from 3% to 5%. The bonds are general obligations of the District payable solely from the proceeds of ad valorem property taxes through August 1, 2030. As a result of the advance refunding, the District reduced its total debt service requirements by $1,167,903, which resulted in an economic gain (difference between the present value of debt service payments on the old debt and new debt) of $891,586.

The District has defeased various General Obligation Bonds issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. Government Securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the advanced refunding met the requirements of an in-substance debt defeasance and therefore removed as liability from the District's government-wide financial statements.

NOTE 8 - GENERAL OBLIGATION BONDS (CONCLUDED)

The outstanding general obligation bonded debt at June 30, 2016 is:

Series	Maturity Date August 1	Interest Rate %	Amount of Original Issue	Outstanding July 1, 2015	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2016
2002A	2019	8.30-8.50	$ 213,700	$ 213,700			$ 213,700
2002B	2030	3.50-4.30	7,500,000	100,000		$ 100,000	0
2011 (Refunding)	2026	3.00-5.00	6,330,000	5,765,000		250,000	5,515,000
2014 (Refunding)	2030	3.00-4.00	6,410,000	6,410,000		155,000	6,255,000
Totals			$ 20,453,700	$ 12,488,700	$ 0	$ 505,000	$ 11,983,700

Accreted Interest

Series	Interest Rate	Maturity Date	Outstanding July 1, 2015	Accretion Current Year	Payments Current Year	Outstanding June 30, 2016
2002A	8.30-8.50	2019	$ 360,278	$ 49,228	$ 0	$ 409,506

The annual requirements to amortize the general obligation bonds payable, outstanding as of June 30, 2016 are as follows:

Year Ended June 30	Principal	Interest	Total
2017	$ 400,000	$ 447,276	$ 847,276
2018	207,940	696,835	904,775
2019	205,760	730,515	936,275
2020	525,000	425,900	950,900
2021	565,000	408,675	973,675
2022-2026	4,035,000	1,604,412	5,639,412
2027-2031	6,045,000	622,550	6,667,550
Totals	$ 11,983,700	$ 4,936,163	$ 16,919,863

NOTE 9 – ENERGY LOANS PAYABLE

In June 2015, the District executed a loan of $105,987 from Pacific Gas and Electric Company as evidenced by a promissory note. The loan proceeds were used as part of the funding for an energy control system at Bear River High School, supplementing Prop 39 energy projects. Payments of $1,778 will be due each month beginning in July 2015 through August 2019.

A schedule of loan payments is shown below:

Year Ended June 30	Principal
2017	$ 21,336
2018	21,336
2019	3,558
Totals	$ 46,230

NOTE 10 – EARLY RETIREMENT INCENTIVES

Public Agency Retirement Services (PARS)

In addition to the benefits described in Note 11 and Note 12, the District has offered incentives for employees to retire through Public Agency Retirement Services (PARS) Group Tax Sheltered (403(B)) Annuity Contract. At June 30, 2016 twenty-seven (27) employees were entitled to future retirement benefits as determined by prior agreements.

The future estimated payments needed to meet the obligation above are as follows:

Year Ended June 30	Principal	Interest	Total
2017	$ 231,084	$ 12,710	$ 243,794
2018	231,084	12,710	243,794
2019	231,084	12,710	243,794
Totals	$ 693,252	$ 38,130	$ 731,382

The District included the costs of early retirement incentives in long-term debt.

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS

Plan Description

In addition to the pension benefits described in Note 12, the District provided other postemployment benefits for classified and certificated employees who retired before June 30, 2014. Benefits provided before June 30, 2014 are as described below:

	Certificated	*Classified*
Benefit types provided	Medical, dental and vision	Medical, dental and vision
Duration of Benefits	5 to 7 years	8 years
Required Service	15 years	15 years
Minimum Age	55	55
Dependent Coverage	Yes	Yes
District Contribution %	100% up to cap	100% up to cap
District Cap	$40,000 over 5 to 7 Years	$5,387 per year

Funding Policy

Employees are not required to contribute to the plan. In order to fully fund the plan, the District would be required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	$ 421,187
Interest on net OPEB obligation	67,688
Adjustment to annual required contribution	(228,727)
Annual OPEB cost (expense)	260,148
Contributions made	(313,928)
Decrease in net OPEB obligation	(53,780)
Net OPEB obligation – beginning of year	1,504,183
Net OPEB obligation – end of year	$1,450,403

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (CONCLUDED)

Annual OPEB Cost and Net OPEB Obligation (Concluded)

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2016 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2016	$260,148	121%	$1,450,403
June 30, 2015	$247,145	141%	$1,504,184
June 30, 2014	$293,503	108%	$1,605,234

Funded Status and Funding Progress

As of March 1, 2015, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $2,232,936.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefits costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the March 1, 2015, actuarial valuation, the "entry age normal" method was used. The actuarial assumptions included a 4.5% investment rate of return (net of administrative expenses), based on long-term investment returns on plan assets, assuming 100% funding through Public Agency Retirement Services (PARS), and an annual healthcare cost trend rate of 4% initially.

An inflation rate of 2.75% was used. The initial UAAL was using level dollar, closed 10 year amortization with three years remaining at June 30, 2016. The residual UAAL is being amortized as level dollar on an open 10 year amortization period.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under cost-sharing multiple-employer contributory retirement plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS) and classified employees are members of the California Public Employees' Retirement System (CalPERS).

A. State Teachers' Retirement System (STRS)

Plan Description. The Nevada Joint Union High School District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The State of California is a Nonemployer Contributing Entity to STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. Although CalSTRS is the administrator of the STRS, the state is the sponsor of the STRS and obligor of the trust. In addition, the state is both an employer and nonemployer contributing entity to the STRS. CalSTRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalSTRS annual financial report may be obtained from CalSTRS, 100 Waterfront Place, West Sacramento, California 95610.

Benefit. STRS provides defined benefit program benefits under two formulas: 2% at 60 for members hired on or before December 31, 2012 and 2% at 62 for members hired after that date. Both formulas define hire as the date at which the member was hired to perform service that could be creditable to CalSTRS. The benefit under each formula is calculated as 2% per year of creditable service. The 2% at 60 formula uses final compensation to calculate the benefit. The 2% at 62 formula uses an average of the highest compensation for three consecutive years to calculate the benefit.

Funding Policy. Required member, employer and state contribution rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. Contribution rates are expressed as a level percentage of payroll using the entry age normal actuarial cost method. Active plan members are required to contribute 8.15% of their salary and the Nevada Joint Union High School District School District and the State are required to contribute actuarially determined rates.

The actuarial methods and assumptions used for determining the rates are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-2014 was 8.25%, for fiscal year 2014-2015 was 8.88%, and for fiscal year 2015-2016 was 10.73% of annual payroll. The required State contribution rate for fiscal year 2014-2015 was 5.95% and for fiscal year 2015-2016 the rate was 7.39%. The Nevada Joint Union High School District's contributions to STRS for the fiscal years ending June 30, 2016 and 2015 were $1,420,624 and $1,104,281, respectively, and equal 100% of the required contributions for each year.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. State Teachers' Retirement System (STRS) (Continued)

Funding Policy (Concluded)

Contribution by District	$1,420,624
Contribution by State	913,191
Total Contribution in 2015-2016	$2,333,815

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of $18,250,030 for its proportionate share of the net pension liability for STRS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's and the State of California's (non-employer contributing entity) long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the state, actuarially determined. At June 30, 2015, the District's proportion of contributions was 0.0271 percent.

The District's proportionate share of the net pension liability for the plan on the measurement dates of June 30, 2014 and 2015 was as follows:

Proportion – June 30, 2014	$16,946,730
Proportion – June 30, 2015	18,250,030
Change – Increase	$ 1,303,300

For the year ended June 30, 2016, the District recognized pension expense of $1,438,818 which included the State's required on-behalf contribution. At June 30, 2016, 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
Deferred Outflows and Inflows of Resources:		
Difference between expected and actual experience		$ 304,962
Changes in Assumptions		
Net difference between projected and actual earnings on pension plan investments		1,487,674
Changes in proportion and differences between District contributions and proportionate share of contributions	$ 48,982	1,181,193
District contributions subsequent to measurement date of June 30, 2015	1,420,624	
Totals	$ 1,469,606	$ 2,973,829

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. State Teachers' Retirement System (STRS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded). The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources related to pensions and deferred inflows of resources related to pension will be recognized as increases or decreases respectively in pension expense as follows:

	Outflows	Inflows
June 30, 2017	$ 8,164	$ 743,584
June 30, 2018	8,164	743,584
June 30, 2019	8,164	743,585
June 30, 2020	8,164	247,692
June 30, 2021	8,164	247,692
June 30, 2022	8,162	247,692
Total	$ 48,982	$2,973,829

Actuarial Assumptions. The total pension liability for STRS was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2014, and rolling forward the total pension liability to June 30, 2015. The financial reporting actuarial valuation as of June 30, 2014, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment rate of return	7.60%
Consumer Price Inflation	3.00%
Wage Growth	3.75%
Post-retirement Benefit Increases	2.00% simple for DB

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series table adjusted to fit CalSTRS experience. RP2000 series tables are an industry standard set of mortality rates published by the Society of Actuaries. See CalSTRS July 1, 2006 – June 30, 2010 Experience Analysis for more information.

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. Based on the model from CalSTRS consulting actuary's (Milliman) investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

A. State Teachers' Retirement System (STRS) (Concluded)

Actuarial Assumptions (Concluded). The assumed asset allocation by PCA is based on board policy for target asset allocation in effect on February 2, 2012, the date the current experience study was approved by the board. Best estimates of 10-year geometric real rates of return and the assumed asset allocation for each major asset class used as input to develop the actuarial investment rate of return are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-Term* Expected Real Rate of Return
Global Equity	47%	4.50%
Private Equity	12%	6.20%
Real Estate	15%	4.35%
Inflation Sensitive	5%	3.20%
Fixed Income	20%	0.20%
Cash/Liquidity	1%	0.00%

* 10-year geometric average

Discount Rate. The discount rate used to measure the total pension liability was 7.60 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 (7.60 percent) and assuming the contributions, benefit payments, and administrative expense occurred midyear. Based on those assumptions, the STRS'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 payment to determine the total pension liability.

Presented below is the District's proportionate share of the net pension liability of employers and the state using the current discount rate of 7.60 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is one to three percent lower or one to three percent higher than the current rate:

Discount Rate		Net Pension Liability of Employers
3% Decrease (4.60%)	$	52,646,628
2% Decrease (5.60%)	$	38,848,121
1% Decrease (6.60%)	$	27,548,234
Current Discount Rate (7.60%)	$	18,250,030
1% Increase (8.60%)	$	10,512,903
2% Increase (9.60%)	$	4,032,209
3% Increase (10.60%)	$	(1,423,292)

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. California Public Employees Retirement System (CalPERS)

Plan Description. The Nevada Joint Union High School District contributes to the School Employer Pool under the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by State statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Room 1820, Sacramento, CA 95814.

Funding Policy. Active plan members were required to contribute 6.974% of their salary and the Nevada Joint Union High School District is required to contribute an actuarially annually determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rates on annual payroll for the fiscal years listed were:

2013-2014	11.442%
2014-2015	11.771%
2015-2016	11.847%

The contribution requirements of the plan members are established by State statute. The Nevada Joint Union High School District's employer contributions to CalPERS for the fiscal year ending June 30, 2016 and 2015 were $755,280 and $517,183, respectively and equal 100% of the required contributions for each year.

Benefits. PERS provides defined benefit program benefits based on members' years of service, age, final compensation and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2016, the District reported a liability of $5,880,128 for its proportionate share of the net pension liability for PERS. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by applying update procedures to an actuarial valuation as of June 30, 2014. 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. At June 30, 2015, the District's proportion of contributions was 0.0399 percent.

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. California Public Employees Retirement System (CalPERS) (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Concluded). The District's proportionate share of the net pension liability for the plan on the measurement dates of June 30, 2014 and 2015 was as follows:

Proportion – June 30, 2014	$4,688,556
Proportion – June 30, 2015	5,880,128
Change – Increase	$1,191,572

For the year ended June 30, 2016, the District recognized pension expense of $483,787. At June 30, 2016, 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
Deferred Outflows and Inflows of Resources:		
Difference between expected and actual experience	$ 336,000	
Changes in Assumptions		$ 361,291
Net difference between projected and actual earnings on pension plan investments	966,000	1,167,089
Changes in proportion and differences between District contributions and proportionate share of contributions		159,692
District contributions subsequent to measurement date of June 30, 2015	755,280	
Totals	$ 2,057,280	$ 1,688,072

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources related to PERS pensions and deferred inflows of resources related to PERS pensions will be recognized as increases or decreases respectively in pension expense as follows:

	Outflows	Inflows
June 30, 2017	$ 353,500	$ 562,691
June 30, 2018	353,500	562,691
June 30, 2019	353,500	562,690
June 30, 2020	241,500	0
Total	$1,302,000	$1,688,072

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONTINUED)

B. California Public Employees Retirement System (CalPERS) (Continued)

Actuarial Assumptions. For the year ended June 30, 2015, the total pension liability was determined by rolling forward the June 30, 2014 total pension liability. The June 30, 2014 and the June 2015 total pension liabilities were based on the following actuarial methods and assumptions:

Experience Study	July 1, 1997 through June 30, 2011
Actuarial Cost Method	Entry age normal
Investment rate of return	7.65%
Consumer price inflation	2.75%
Wage Growth	Varies by entry age and service
Post-retirement Benefit Increases	Contract COLA up to 2.00% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

PERS uses a mortality table based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.

Change in Assumptions. GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate was changed from 7.50 percent (net of administrative expense in 2014) to 7.65 percent as of the June 30, 2015 measurement date to correct the adjustment which previously reduced the discount rate for administrative expense.

Discount Rate. The discount rate used to measure the total pension liability was 7.65 percent. A projection of the expected benefit payments and contributions was performed to determine if assets would run out. The test revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Schools Pool.

The following presents the net pension liability of the Plan as of June 30, 2015, calculated using the discount rate of 7.65 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

Discount Rate	Plan's Net Pension Liability
1% Decrease (6.65%)	$ 9,572,304
Current Discount Rate (7.65%)	$ 5,880,128
1% Increase (8.65%)	$ 2,811,982

NOTE 12 - EMPLOYEE RETIREMENT SYSTEMS (CONCLUDED)

B. California Public Employees Retirement System (CalPERS) (Concluded)

Discount Rate (Concluded). 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 table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

New Strategic Asset Class	Real Return Allocation	Real Return Years 1-10[1]	Years 11+[2]
Global Equity	51%	7.2%	5.71%
Global Fixed Income	20%	5.3%	2.43%
Inflation Sensitive	6%	0.0%	3.36%
Private Equity	10%	6.9%	6.95%
Real Estate	12%	8.7%	5.13%
Cash/Liquidity	1%	2.3%	(1.05)%

[1] An expected inflation of 2.5% used for this period
[2] An expected inflation of 3.0% used for this period

Pension Plan Fiduciary Net Position. The plan fiduciary net position disclosed in this report may differ from the plan assets reported in the Schools Pool funding actuarial valuation reported due to several reason. First, for the accounting valuation, items such as deficiency reserves, fiduciary self-insurance and OPEB expense are included in fiduciary net position. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early closing and final reconciled reserves.

C. Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (STRS or PERS) must be covered by social security or an alternative plan. The District has elected to use Social Security.

NOTE 13 - STUDENT BODY FUNDS

The Student Body Funds often engage in activities, which involve cash transactions. These transactions are not subject to adequate internal accounting control prior to deposits being recorded in the bank accounts. It has been determined on a cost benefit basis that providing increased internal control in this area does not justify the additional costs that would be necessary to control receipts prior to the point of deposit.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

A. Litigation

The District is involved in various litigation arising from the normal course of business. In the opinion of management and legal counsel, the disposition of all litigation pending is not expected to have a material adverse effect on the overall financial position of the District at June 30, 2016.

B. State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

C. Joint Power Authorities

Schools Insurance Group (SIG)

The District is a member of a Joint Powers Authority, Schools Insurance Group (SIG), for the operation of a common risk management and insurance program. The program covers workers' compensation, property/liability, and health and welfare insurance. The membership includes the school districts in Placer and Nevada counties and their respective County Offices. SIG is governed by an Executive Board consisting of representatives from member districts. The Executive Board controls the operations of SIG, including selections of management and approval of operating budgets. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The District pays premiums commensurate with the levels of coverage requested.

The following is a summary of financial information for Schools Insurance Group at June 30, 2016:

Total assets	$ 92,558,255
Total deferred outflows of resources	$ 129,645
Total liabilities	$ 35,095,872
Total deferred inflows of resources	$ 79,727
Net position	$ 57,512,301
Total revenues	$ 86,858,318
Total expenditures	$ 84,855,225
Change in net position	$ 2,003,093

NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONCLUDED)

C. Joint Power Authorities (Concluded)

Nevada County School Bus Agency

The District is also a member in a Joint Powers Authority, Nevada County School Bus Agency, for the operation of pupil transportation in Nevada County. The following is a summary of financial information for Nevada County School Bus Agency at June 30, 2016:

Total assets	$299,466
Total liabilities	$ 0
Net position	$299,466
Total revenues	$ 10,357
Total expenditures	$ 9,410
Change in net position	$ 947

The relationship between Nevada Joint Union High School District and the joint powers authorities are such that these authorities are not component units of the District for financial reporting purposes.

NOTE 15 - RISK MANAGEMENT

A. 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, 2016, the District contracted with Schools Insurance Group, JPA (SIG) for property and liability insurance coverage and also for theft insurance coverage. Settled claims have not exceeded this commercial coverage in any of the past three years. There has not been a significant change in coverage from the prior year.

B. Workers' Compensation

For fiscal year 2016, the District participated in the Schools Insurance Group, JPA (SIG), an insurance purchasing pool. The intent of the SIG pool is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the SIG pool. The workers' compensation experience of the participating districts is calculated as one experience and a common premium rate is applied to all districts in the SIG pool. 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. 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 the SIG pool. Participation in the SIG pool is limited to districts that can meet the SIG pool selection criteria.

NOTE 16 - SUBSEQUENT EVENT

On July 1, 2016, management entered into a lease agreement with Government Connections Inc., to lease computer equipment. The lease will commence August 31, 2016 for a term of thirty-six (36) months. Payment of $125,169 will be made annually, with the first payment due upon commencement. An annual rate of interest at 3.11% will be charged to any outstanding principal. When all lease payments have been satisfied, all interest in equipment shall pass to the District.

On November 8, 2016, voters in Nevada and Yuba Counties approved Measure B, authorizing a total of $47,000,000 in general obligation bonds to upgrade/improve local high schools, retain/attract quality teachers by repairing classrooms/leaky roofs, updating facilities for career/technical education jobs in science, technology, engineering/math, ensuring safe drinking water/fire safety, replacing deteriorating sewer/gas lines, and repairing, constructing, equipping/acquiring education facilities.

Management has evaluated subsequent events through December 5, 2016, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION SECTION

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			
	Original	Final	Actual Amounts (GAAP Basis)	Variance with Final Budget - Positive (Negative)
REVENUES				
Local Control Funding Formula Sources:				
State Apportionments	$ 11,683,427	$ 9,458,327	$ 8,967,693	$ (490,634)
Local Sources	13,048,736	15,184,457	15,860,155	675,698
Total Local Control Funding Formula Sources	24,732,163	24,642,784	24,827,848	185,064
Federal Revenue	1,546,440	1,664,166	1,735,313	71,147
Other State Revenue	1,665,260	2,866,901	3,812,823	945,922
Other Local Revenue	2,656,155	2,783,974	2,518,092	(265,882)
Total Revenues	30,600,018	31,957,825	32,894,076	936,251
EXPENDITURES				
Certificated Salaries	12,695,417	13,353,801	13,353,506	295
Classified Salaries	5,045,048	5,075,200	5,074,871	329
Employee Benefits	6,088,734	6,764,842	6,764,509	333
Books and Supplies	1,312,719	1,645,759	1,445,841	199,918
Services and Other Operating Expenditures	4,234,978	4,668,521	4,667,963	558
Capital Outlay	40,000	112,670	111,846	824
Debt Service:				
Principal Retirement		12,446	21,337	(8,891)
Other Outgo	290,248	311,793	298,505	13,288
Total Expenditures	29,707,144	31,945,032	31,738,378	206,654
Excess of Revenues Over Expenditures	892,874	12,793	1,155,698	1,142,905
Other Financing Sources (Uses):				
Operating Transfers In			6,006	6,006
Operating Transfers Out	(253,690)	(253,690)	(256,923)	(3,233)
Total Other Financing Sources (Uses)	(253,690)	(253,690)	(250,917)	2,773
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	639,184	(240,897)	904,781	1,145,678
Fund Balances - July 1, 2015	4,753,006	5,841,212	5,841,212	0
Fund Balances - June 30, 2016	$ 5,392,190	$ 5,600,315	$ 6,745,993	$ 1,145,678

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
6/30/14	March 1, 2013	$ -	$ 2,257,841	$ 2,257,841	0%	$ 17,496,942	13%
6/30/15	March 1, 2015	$ -	$ 2,232,936	$ 2,232,936	0%	$ 3,725,727	60%
6/30/16	March 1, 2015	$ -	$ 2,232,936	$ 2,232,936	0%	$ 4,344,234	51%

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULES OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

California State Teachers' Retirement System (CalSTRS)

	2016	2015
District's proportion of the net pension liability	0.0271%	0.0290%
District's proportionate share of the net pension liability	$ 18,250,030	$ 16,946,730
District's covered-employee payroll	$ 12,435,597	$ 12,876,558
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	147%	132%
Plan fiduciary net position as a percentage of the total pension liability	74%	77%

Public Employee Retirement System (CalPERS)

	2016	2015
District's proportion of the net pension liability	0.0399%	0.0413%
District's proportionate share of the net pension liability	$ 5,880,128	$ 4,688,555
District's covered-employee payroll	$ 4,393,705	$ 4,234,620
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	134%	111%
Plan fiduciary net position as a percentage of the total pension liability	79%	83%

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULES OF THE DISTRICT'S CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

California State Teachers' Retirement System (CalSTRS)

	2016	2015
Contractually required contribution	$ 1,104,281	$ 1,062,316
Contributions in relation to the contractually required contribution	1,117,280	1,062,316
Contribution deficiency (excess)	$ (12,999)	$ 0
District's covered-employee payroll	$ 12,435,597	$ 12,876,558
Contributions as a percentage of covered-employee payroll	8.880%	8.250%

Public Employee Retirement System (CalPERS)

	2016	2015
Contractually required contribution	$ 517,183	$ 494,823
Contributions in relation to the contractually required contribution	519,858	494,823
Contribution deficiency (excess)	$ (2,675)	$ 0
District's covered-employee payroll	$ 4,393,705	$ 4,324,620
Contributions as a percentage of covered-employee payroll	11.771%	11.442%

NOTE 1 - PURPOSE OF SCHEDULES

A. Budgetary Comparison Schedule

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

The excess of expenditures over appropriations in individual governmental funds at June 30, 2016 are as follows:

Fund	Excess Expenditures
Major Governmental Funds:	
General Fund	
Debt Service-Principal Retirement	$ 8,891
Transfers Out	3,233
Non-Major Governmental Funds:	
Adult Education Fund	
Certificated Salaries	16,158
Classified Salaries	374
Employee Benefits	13,995
Food and Supplies	10,888
Contract Services	14,377
Other Outgo	5,577
Cafeteria Fund	
Classified Salaries	6,109
Contract Services	2,517
Deferred Maintenance Fund	
Capital Outlay	41,028
Special Reserve Fund for Capital Outlay Projects	
Capital Outlay	57,008

The District incurred unanticipated expenditures for which the budgets were not revised.

NOTE 1 - PURPOSE OF SCHEDULES (CONCLUDED)

B. Schedule of Other Postemployment Benefits Funding Progress

The Schedule of Funding Progress presents multi-year trend information which compares, over time, the actuarially accrued liability for benefits with the actuarial value of accumulated plan assets.

C. Schedules of the District's Proportionate Share of the Net Pension Liability

These schedules present information on the District's portion of the Net Pension Liability of CalSTRS and the Net Pension Liability of CalPERS in compliance with GASB 68.

These will be 10-year schedules. Years will be added to these schedules in future fiscal years until 10 years of information is available.

D. Schedules of the District's Contributions

These schedules provide information about the District's required and actual contributions to CalSTRS and CalPERS during the year.

These will be 10-year schedules. Years will be added to these schedules in future fiscal years until 10 years of information is available.

SUPPLEMENTARY INFORMATION SECTION

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

GRASS VALLEY, CALIFORNIA

JUNE 30, 2016

ORGANIZATION

The District is a rural California school district encompassing approximately 782 square miles in Nevada County and a small portion of Yuba County. The District includes the incorporated cities of Grass Valley and Nevada City along with unincorporated areas of Nevada County. The District operates two comprehensive high schools, two continuation high schools, two alternative high schools, and an adult education program.

BOARD OF TRUSTEES

ADMINISTRATION

Dr. Louise Bennicoff Johnson
Superintendent

Karen Suenram
Assistant Superintendent - Business and Facilities

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Second Period Report		Annual Report	
	Original	Revised	Original	Revised
Regular ADA				
Ninth through Twelfth	2,584	2,582	2,555	2,553
Extended Year Special Education				
Ninth through Twelfth	3	3	3	3
Special Education - Nonpublic, Nonsectarian Schools				
Ninth through Twelfth	0	0	1	1
ADA Totals	2,587	2,585	2,559	2,557

Average daily attendance is a measurement of the numbers 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 the school districts. This schedule provides information regarding the attendance of students at various grade levels and in different programs.

SCHEDULE OF INSTRUCTIONAL TIME

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Grade Level	Minutes Requirement	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	65,397	180	In Compliance
Grade 10	64,800	65,397	180	In Compliance
Grade 11	64,800	65,397	180	In Compliance
Grade 12	64,800	65,397	180	In Compliance

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District has not met its local control funding formula target.

Districts that participate in Longer Day Incentive Funding or that met or exceed their local control funding formula target, must provide at least the number of instructional minutes specified in Education Code Section 46201(b) or 46207(a), shown as the minutes requirement above.

SCHEDULE OF CHARTER SCHOOLS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

The Nevada Joint Union High School District has approved a charter petition for the Sierra Academy of Expeditionary Learning (SAEL) (29-66357-0124834) pursuant to California Education Code Section 47605. The financial activities of SAEL are reported separately and are not included in the District's audit report.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Program Name:	Federal Catalog Number	Pass-Through Entity Identifying Number	Program Expenditures
U.S. Department of Agriculture:			
Passed through Nevada County Superintendent of Schools:			
Forest Reserve Funds	10.665	10044	$ 26,627
Passed through the California Department of Education (CDE):			
Child Nutrition Cluster:**			
National School Lunch (Sec 4 and Sec 11)	10.555 *	13523/13524	283,920
School Breakfast Needy	10.553 *	13526	54,354
Subtotal Child Nutrition Cluster			338,274
Total U.S. Department of Agriculture			364,901
U.S. Department of Education:			
Passed Through California Department of Rehabilitation:			
Department of Rehabilitation: Workability II, Transitions Partnership Program	84.126	10006	135,353
Passed through CDE:			
Adult Education Cluster:			
Institutionalized Adults	84.002	13971	3,396
Adult Secondary Education	84.002	13978	12,087
English Literacy & Civics Education	84.002A	14109	190
Adult Basic Education & ESL	84.002A	14508	437
Subtotal Adult Education Cluster			16,110
Title I, Part A Cluster:			
NCLB: Title I, Part A, Basic Grants Low Income and Neglected	84.010 *	14329	266,365
NCLB: Title I, Part A, Program Improvement LEA Corrective Action Extensive Performance Problems	84.010 *	14955	50,000
Subtotal Title I, Part A Cluster			316,365
Passed through Nevada County Superintendent of Schools:			
Special Education Cluster:			
IDEA: Basic Local Assistance, Part B, Section 611	84.027	13379	961,436
IDEA: Mental Health Allocation Plan, Part B, Section 611	84.027A	14468	64,302
Subtotal Special Education Cluster			1,025,738
NCLB: Title I, Part G, Advanced Placement Test Fee Reimbursement	84.330B	14831	1,025
NCLB: Title II, Part A, Teacher Quality	84.367	14341	64,171
Vocational Programs - Secondary Sec 131 (Carl Perkins Act)	84.048	14894	68,857
Total U.S. Department of Education			1,627,619
U.S. Department of Health and Human Services:			
Passed through California Department of Health Care Services:			
Medicaid Cluster:			
Medi-Cal Billing Option	93.778	10013	66,526
Medical Assistance Program (MAA)	93.778	10060	30,651
Subtotal Medicaid Cluster			97,177
Total U.S. Department of Health and Human Services			97,177
Total Federal Programs			$ 2,089,697

* Denotes a Major Program

** Does not include the fair value of commodities received, which totaled $33,594

SEE NOTES TO SUPPLEMENTARY INFORMATION

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF UNAUDITED ACTUALS WITH AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Reserve Fund for Other than Capital Outlay Projects	Special Reserve Fund for Postemployment Benefits
June 30, 2016, Annual Unaudited Actual Financial Report Fund Balance	$ 5,315,777	$ 773,198	$ 657,018
Adjustments and Reclassifications Increasing (Decreasing) the Fund Balance:			
To conform with GAAP, activity reported separately by the District in certain Special Revenue Funds is reported in the General Fund in these financial statements.	1,430,216	(773,198)	(657,018)
Net Adjustments and Reclassifications	1,430,216	(773,198)	(657,018)
June 30, 2016, Audited Financial Statement Fund Balance	$ 6,745,993	$ 0	$ 0

Auditor's Comments

The audited financial statements of all other funds were in agreement with the Unaudited Actual Financial Report for the year ended June 30, 2016.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Budget 2016-2017	2015-2016	2014-2015	2013-2014
General Fund				
Revenues and Other Financial Sources	$ 31,673,997	$ 32,900,082	$ 30,360,885	$ 29,197,774
Expenditures	32,040,829	31,738,378	30,008,952	29,439,356
Other Uses and Transfers Out	254,321	256,923	361,365	103,589
Total Outgo	32,295,150	31,995,301	30,370,317	29,542,945
Change in Fund Balance (Decrease)	(621,153)	904,781	(9,432)	(345,171)
Ending Fund Balance	$ 5,499,422	$ 6,745,993	$ 5,841,212	$ 5,850,644
Available Reserves	$ 1,358,930	$ 1,800,499	$ 1,551,445	$ 1,081,015
Reserve for Economic Uncertainties	$ 972,125	$ 1,216,095	$ 1,125,190	$ 1,081,015
Unassigned Fund Balance	$ 386,805	$ 584,404	$ 426,255	$ 0
Available Reserves as a Percentage of Total Outgo	4.2%	5.6%	5.1%	3.7%
Total Long-Term Debt	$ 38,173,029	$ 38,825,450	$ 37,087,716	$ 43,700,578
Average Daily Attendance at P-2	2,433	2,585	2,705	2,736

The General Fund Balance, which also includes the Deferred Maintenance Fund and Special Reserve Fund for Post-Employment Benefits, has increased $550,178 over the past three years. 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). Available reserves consist of all unassigned fund balances and all funds reserved for economic uncertainty contained within the General Fund.

Long-term debt increased $1.7 million during 2015-2016.

Average Daily Attendance (ADA) has decreased by 151 during the past two years.

The amounts reported as Budget 2016-2017 are presented for additional analysis and have not been audited.

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR FUNDS
JUNE 30, 2016

	Charter School Fund	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
ASSETS								
Cash	$ 29,596	$ 109,534	$ 9,659	$ 345,252	$ 683,188	$ 969,975	$ 560,070	$ 2,707,274
Accounts Receivable		21,102	54,823			10,114	54,406	140,445
Due From Other Funds			449					449
Stores Inventory			7,725					7,725
Total Assets	$ 29,596	$ 130,636	$ 72,656	$ 345,252	$ 683,188	$ 980,089	$ 614,476	$ 2,855,893
LIABILITIES AND FUND BALANCE								
Liabilities:								
Accounts Payable	$ 29,596	$ 18,367	$ 22,868	$ 20,001		$ 157,704	$ 23,638	$ 272,174
Due to Other Funds		17,597	40,432				449	58,478
Total Liabilities	29,596	35,964	63,300	20,001		157,704	24,087	330,652
Fund Balances:								
Nonspendable			9,090					9,090
Restricted		94,672	266		$ 683,188	822,385		1,600,511
Committed				325,251				325,251
Assigned							590,389	590,389
Total Fund Balances	0	94,672	9,356	325,251	683,188	822,385	590,389	2,525,241
Total Liabilities and Fund Balances	$ 29,596	$ 130,636	$ 72,656	$ 345,252	$ 683,188	$ 980,089	$ 614,476	$ 2,855,893

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Bond Interest and Redemption Fund	Capital Facilities Fund	Special Reserve Fund for Capital Outlay Projects	Total Non-Major Governmental Funds
REVENUES							
Local Control Funding Formula Sources:							
State Apportionments			$ 140,856				$ 140,856
Federal Revenue	$ 16,110	$ 338,274					354,384
Other State Revenue	205,875	26,576		$ 11,214			243,665
Other Local Revenue	165,619	241,776	1,369	846,479	$ 391,295	$ 46,111	1,692,649
Total Revenues	387,604	606,626	142,225	857,693	391,295	46,111	2,431,554
EXPENDITURES							
Certificated Salaries	177,512						177,512
Classified Salaries	55,028	305,834			8,492		369,354
Employee Benefits	60,380	82,376			3,758		146,514
Books and Supplies	18,451	262,168	3,510	15		7,986	292,130
Services and Other Operating Expenditures	19,177	26,456	125,636		5,142	33,678	210,089
Capital Outlay			260,923		32,869	73,858	367,650
Debt Service:							
Principal Retirement				505,000			505,000
Interest and Fiscal Charges				461,350			461,350
Other Outgo	17,557	34,499					52,056
Total Expenditures	348,105	711,333	390,069	966,365	50,261	115,522	2,581,655
Excess of Revenues Over (Under) Expenditures	39,499	(104,707)	(247,844)	(108,672)	341,034	(69,411)	(150,101)
Other Financing Sources (Uses):							
Operating Transfers In		111,067	140,856			5,000	256,923
Operating Transfers Out		(6,006)					(6,006)
Total Other Financing Sources	0	105,061	140,856	0	0	5,000	250,917
Excess of Revenues and Other Sources Over (Under) Expenditures	39,499	354	(106,988)	(108,672)	341,034	(64,411)	100,816
Fund Balances - July 1, 2015	55,173	9,002	432,239	791,860	481,351	654,800	2,424,425
Fund Balances - June 30, 2016	$ 94,672	$ 9,356	$ 325,251	$ 683,188	$ 822,385	$ 590,389	$ 2,525,241

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE STATEMENTS

NEVADA JOINT UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGE IN ASSETS AND LIABILITIES
AGENCY FUND – STUDENT BODY ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	Beginning Balance	Additions	Deductions	Ending Balance
BEAR RIVER HIGH SCHOOL STUDENT ACTIVITIES				
ASSETS				
Cash	$ 154,510	$ 445,031	$ 442,717	$ 156,824
LIABILITIES				
Due to Student Groups	$ 154,510	$ 445,031	$ 442,717	$ 156,824
NEVADA UNION HIGH SCHOOL STUDENT ACTIVITIES				
ASSETS				
Cash	$ 584,004	$ 839,487	$ 843,359	$ 580,132
LIABILITIES				
Due to Student Groups	$ 584,004	$ 839,487	$ 843,359	$ 580,132
SILVER SPRINGS HIGH SCHOOL STUDENT ACTIVITIES				
ASSETS				
Cash	$ 2,486	$ 1,038	$ 844	$ 2,680
LIABILITIES				
Due to Student Groups	$ 2,486	$ 1,038	$ 844	$ 2,680
WILLIAM MARIAN GHIDOTTI HIGH SCHOOL STUDENT ACTIVITIES				
ASSETS				
Cash	$ 8,388	$ 14,088	$ 14,649	$ 7,827
LIABILITIES				
Due to Student Groups	$ 8,388	$ 14,088	$ 14,649	$ 7,827
TOTAL AGENCY FUNDS				
ASSETS				
Cash	$ 749,388	$ 1,299,644	$ 1,301,569	$ 747,463
LIABILITIES				
Due to Student Groups	$ 749,388	$ 1,299,644	$ 1,301,569	$ 747,463

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

NOTES TO SUPPLEMENTARY INFORMATION

FOR THE FISCAL YEAR ENDED JUNE 30, 2016

NOTE 1 - PURPOSE OF STATEMENTS AND SCHEDULES

A. Schedule of Average Daily Attendance

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

B. Schedule of Instructional Time

This schedule presents information on the amount of instructional time and number of days offered by the District and whether the District complied with the provisions of Education Code Sections 46201 through 46208. The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day, and has not met its local control funding formula target.

C. Schedule of Charter Schools

This schedule is provided to list all charter schools chartered by the District and displays information for each charter school on whether or not the charter school is included in the District audit.

D. 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 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).* The District has not used the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

E. Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

This schedule provides the information necessary to reconcile the fund balances of all funds and the total liabilities balance of the general long-term debt account group as reported on the Unaudited Actual Financial Report to the audited financial statements.

F. Schedule of Financial Trends and Analysis

This schedule is presented to improve the evaluation and reporting of the going concern status of the District.

G. Combining Statements and Individual Fund Schedules

Combining statements and individual fund schedules are presented for purposes of additional analysis, and are not a required part of the District's basic financial statements. These statements and schedules present more detailed information about the financial position and financial activities of the District's individual funds.

OTHER INDEPENDENT AUDITOR'S REPORTS SECTION

GOODELL,
PORTER,
SANCHEZ &
BRIGHT, LLP

CERTIFIED
PUBLIC
ACCOUNTANTS

JOHN L. GOODELL, CPA
VIRGINIA K. PORTER, CPA
BEVERLY A. SANCHEZ, CPA
SUZY H. BRIGHT, CPA
RICHARD J. GOODELL, CPA
MICHELLE M. HANSON, CPA

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*

Board of Trustees
Nevada Joint Union High School District
Grass Valley, 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, major fund, and the aggregate remaining fund information of Nevada Joint Union High School District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise Nevada Joint Union High School District's basic financial statements and have issued our report thereon dated December 5, 2016.

Internal Control Over Financial Reporting

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

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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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2016-001 that we consider to be a significant deficiency.

Compliance and Other Matters

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

Nevada Joint Union High School District's Responses to Findings

Nevada Joint Union High School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Nevada Joint Union High School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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.

Goodell, Porter, Sanchez & Bright, LLP

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

December 5, 2016

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

JOHN L. GOODELL, CPA
VIRGINIA K. PORTER, CPA
BEVERLY A. SANCHEZ, CPA
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MICHELLE M. HANSON, CPA

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Trustees
Nevada Joint Union High School District
Grass Valley, California

Report on Compliance for Each Major Federal Program

We have audited Nevada Joint Union High School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Nevada Joint Union High School District's major federal programs for the year ended June 30, 2016. Nevada Joint Union High School District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Nevada Joint Union High School District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Nevada Joint Union High 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 reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Nevada Joint Union High School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Nevada Joint Union High School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

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Report on Internal Control Over Compliance

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

Goodell, Porter, Sanchez & Bright, LLP

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

December 5, 2016

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

Board of Trustees
Nevada Joint Union High School District
Grass Valley, California

We have audited Nevada Joint Union High School District's compliance with the types of compliance requirements described in the *2015-2016 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* that could have a direct and material effect on each of Nevada Joint Union High School District's State government programs as noted below for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for compliance with the requirements of State laws and regulations.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with State laws and regulations of Nevada Joint Union High School District's State government programs based on our audit of the types of compliance requirements referred to below. 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 *2015-2016 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting*. Those standards 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 the applicable State laws and regulations listed below occurred. An audit includes examining, on a test basis, evidence about Nevada Joint Union High 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. However, our audit does not provide a legal determination of Nevada Joint Union High School District's compliance with those requirements.

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

Description	Procedures Performed
Local Education Agencies Other Than Charter Schools:	
Attendance	Yes
Teacher Certification and Mis-assignments	Yes
Kindergarten Continuance	Not Applicable
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	Not Applicable
GANN Limit Calculation	Yes
School Accountability Report Card	Yes

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Description	Procedures Performed
Juvenile Court Schools	Not Applicable
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	Not Applicable
Transportation Maintenance of Effort (MOE)	Yes
School Districts, County Office of Education and Charter Schools:	
Educator Effectiveness	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program	Not Applicable
Proper Expenditure of Education Protection Account Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Independent Study – Course Based	Not Applicable
Immunizations	Not Applicable
Charter Schools:	
Attendance (Charter Schools)	Not Applicable
Mode of Instruction	Not Applicable
Non Classroom-Based Instruction/Independent Study for Charter Schools	Not Applicable
Determination of Funding for Non Classroom-Based Instruction	Not Applicable
Annual Instructional Minutes - Classroom Based	Not Applicable
Charter School Facility Grant Program	Not Applicable

Opinion on Each State Government Program

In our opinion, Nevada Joint Union High School District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its State government programs for the year ended June 30, 2016.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with the *2015-2016 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* and which is described in the accompanying schedule of findings and questioned costs as item 2016-002. Our opinion on State government programs is not modified with respect to this matter.

Nevada Joint Union High School District's Response to Finding

Nevada Joint Union High School District's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Nevada Joint Union School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report on compliance is solely to describe the scope of our testing of compliance and the results of that testing based on the requirements of the *2015-2016 Guide for Annual Audits of K-12 Local Educational Agencies and State Compliance Reporting* published by the Education Audit Appeals Panel. Accordingly, this report is not suitable for any other purpose.

Goodell, Porter, Sanchez & Bright, LLP

GOODELL, PORTER, SANCHEZ & BRIGHT, LLP
Certified Public Accountants

December 5, 2016

FINDINGS AND QUESTIONED COSTS SECTION

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	_x_ No
Significant deficiency(ies) identified that are not considered to be material weakness?	_x_ Yes	___ None reported
Noncompliance material to financial statements noted?	___ Yes	_x_ No

Federal Awards

Internal control over financial reporting:		
Material weakness(es) identified?	___ Yes	_x_ No
Significant deficiency(ies) identified that are not considered to be material weakness?	___ Yes	_x_ 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 Section 2 CFR 200.516 (a)?	___ Yes	_x_ No

Identification of major programs

CFDA Number	Name of Federal Program or Cluster
10.553, 10.555	Child Nutrition Cluster
84.010	Title I, Part A Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$750,000	
Auditee qualified as low-risk auditee?	_x_ Yes	___ No

State Awards

Internal control over state programs:		
Material weakness(es) identified?	___ Yes	_x_ No
Significant deficiency(ies) identified that are not considered to be material weakness?	_x_ Yes	___ None reported
Type of auditor's report issued on compliance for state programs:	Unmodified	

Section II - Financial Statements Findings

2016 - 001 - ASSOCIATED STUDENT BODY (ASB) ACCOUNT BEAR RIVER HIGH - CASH RECEIPT PROCEDURES - 30000

Criteria: Sound cash management procedures including the internal control procedures for handling cash from the time the cash is collected to the time it is deposited into the ASB bank account discourage theft of ASB funds and protect those who handle the cash. Cash receipt control procedures provide evidence that the cash was handled appropriately. Without this evidence, those involved in ASB will not have the information to prove that fraud did not occur.

Statement of Condition: During the audit of the ASB account at Bear River High School we noted there is no evidence of the proceeds from fund-raisers (other than gate receipts) are being reconciled to the actual goods sold or services provided.

Cause: There do not appear to be sufficient cash control procedures in place at the time the fund-raising event is held and the cash and checks are initially being collected.

Effect or Potential Effect: Deficiencies in internal control limit management's control over assets and facilitates an environment where misappropriation of assets may go undetected. As the Trustee of these funds, the District may be held responsible for any losses that could occur.

Questioned Costs: There are no questioned costs associated with this finding.

Recommendation: We recommend cash control procedures be put into place that would include a record of the items sold, fees collected or services provided and the amount of cash received. Depending on the event, this may be done using a cash register, tally sheet, log, two-part receipts or ticket control. At the end of the day or event, the number of items sold or services provided should be reconciled with cash collected and the reason for significant differences should be reported on the reconciliation document. Any clubs involved in fund-raisers who do not want to follow sound internal control procedures, should not be allowed to hold fund-raising events.

View of Responsible Official: The District agrees with the finding and will work to implement procedures as recommended.

Section II - Financial Statements Findings (Concluded)

2016-002 - ASSOCIATED STUDENT BODY (ASB) ACCOUNTS - BUDGETS - 30000

Criteria: Best practices over associated student body accounts (ASB) should ensure the funds raised by students during a given school year are spent on behalf of those same students while they are at the same school. A district's governing board must establish procedures to be following in preparing and controlling student body organization budgets. A budget is a financial plan for a specific period of time that estimates annual expenses and income and allows an ASB organization to estimate at the beginning of the school year what the financial position will be at the end of the year. When preparing a budget, clubs should be reminded that neither large surpluses or deficits are allowed when budgeting.

Statement of Condition: During our testing of the ASB accounts we noted there were clubs with deficit balances and others with large surpluses.

Cause: The District's policies and procedures do not appear to be fully implemented or adhered to.

Effect or Potential Effect: Without appropriate budgeting tools the students are not able to determine if they will raise enough funds during the year to cover their anticipated expenses or alternately, if they are at risk of over-fundraising

Questioned Costs: There are no questioned costs associated with this finding.

Recommendation: We recommend the board establish policies prohibiting clubs from spending more than has been raised and also include a limit on carryover unless there is an approved spending plan. The budgets should be monitored at least monthly so there is adequate time to adjust plans if the budget is not realistic or if the planned goals will not be met because of lower than projected revenue or higher than expected projected expenses.

View of Responsible Official: The District agrees with the finding and will work to implement procedures as recommended.

Section III - Federal Award Findings and Questioned Costs

No mattes are reported.

Section IV - State Award Findings and Questioned Costs

2016 - 003 - ATTENDANCE-NEVADA UNION HIGH SCHOOL - 10000

Criteria: According to Section 44809 of the California Education Code, each school district must develop and maintain accurate and adequate attendance records to support the attendance reported to the State. The District has established CDE approved procedures for electronic signature attendance accounting whereby the office staff is to print a missing attendance report daily and follow up if any teacher is listed by obtaining the attendance sheet for a substitute or by having the teacher log in and take attendance.

Statement of Condition: During our testing of attendance at Nevada Union High School, we noted the District was unable to provide written signed documents to support the attendance for all teachers who did not certify their attendance electronically by entering their authentic logon. Further inquiry identified this was going to be the case for each month and considered a systemic problem.

Cause: Attendance clerks are not following the District's monitoring procedures established to ensure attendance is recorded daily by all teachers and is properly supported.

Effect or Potential Effect: Lack of adherence to District policies increases the risk that there will be inadequate records to support the attendance reported to the State. Our testing identified twenty-eight days where a student was reported as present due to a teacher not taking attendance, but who was identified as having been absent based on other contemporaneous records.

Questioned Costs: The error rate was determined to be .00114 and when applied to the total days of apportionment in the Period Two (P-2) and Annual attendance reports, resulted in an overstatement of average daily attendance (ADA) of 1.74 and 1.63 respectively.

Grade Span	Original P-2 ADA	Revised P-2 ADA	Difference	Derived Value of ADA	Estimated Cost
9-12	2,584.14	2,582.40	(1.74)	$8,262	$(14,376)

Recommendation: We recommend the District provide training for attendance clerks, teachers, substitutes and other individuals who may account for student attendance to ensure the procedures established are implemented and in practice. Periodic monitoring should be performed by the District office throughout the year in addition to the annual independent audit. The District should also file amended P-2 and Annual attendance reports.

View of Responsible Official: The District agrees with the finding and will implement procedures and revise the attendance reports as recommended.

2015 – 001: All payments using Associated Student Body funds should be supported by appropriate proof of purchase, such as an original invoice and cash should be counted by more than one person with the dual count documented by signatures or initials of each person performing the count.

Current Status:

Accepted
Implemented

2015 – 002: The District should provide training for attendance clerks, teachers, substitutes and other individuals who may account for student attendance to ensure the procedures established are implemented. Periodic monitoring should be performed by the District Office throughout the year in addition to the annual independent audit.

Current Status:

Accepted
Partially Implemented

Explanation if Not Fully Implemented: The finding above was a condition found at Bear River High School. The attendance accounting at this site was reviewed in 2015-2016 and found to be in compliance. Testing at Nevada Union High School in 2015-2016 identified similar noncompliance, described in finding 2016-002.

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Nevada Joint Union High School District (the "District") in connection with the issuance of $14,000,000 of the District's Election of 2016 General Obligation Bonds, Series A (the "Bonds"). The Bonds are being issued pursuant to Resolution of the District adopted on April 5, 2017. The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Section 5(a) or Section 5(b) of this Disclosure Certificate.

"Official Statement" means that certain official statement, dated May 10, 2017, relating to the offering and sale of the Bonds.

"Participating Underwriter" shall mean Robert W. Baird & Co., Inc., as the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean, the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2016-17 fiscal year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than thirty (30) days (nor more than sixty (60) days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than fifteen (15) Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a timely notice to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports. (a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

(b) Average daily attendance of the District for the last completed fiscal year;

(c) Outstanding District indebtedness;

(d) Summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the then-current fiscal year;

(e) assessed valuations, tax levy and delinquencies (in the event the County is no longer on the Teeter Plan for real property located in the District) for the last completed fiscal year.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format, and accompanied by identifying information, prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. optional, contingent or unscheduled Bond calls.

4. defeasances.

5. rating changes.

6. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, or Notices of Proposed Issue (IRS Form 5701-TEB).

7. unscheduled draws on the debt service reserves reflecting financial difficulties.

8. unscheduled draws on credit enhancement reflecting financial difficulties.

9. substitution of the credit or liquidity providers or their failure to perform.

10. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or

governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

4. release, substitution or sale of property securing repayment of the Bonds.

5. 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.

6. appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon fifteen (15) days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this

Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: June 1, 2017

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

By: ____

Assistant Superintendent, Business Services

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: NEVADA JOINT UNION HIGH SCHOOL DISTRICT

Name of Bond Issue: Election of 2016 General Obligation Bonds, Series A

Date of Issuance: June 1, 2017

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

NEVADA JOINT UNION HIGH SCHOOL DISTRICT

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APPENDIX D

THE CITY OF GRASS VALLEY AND NEVADA COUNTY STATISTICAL AND DEMOGRAPHIC INFORMATION

The following information regarding the City of Grass Valley (the "City") and Nevada County (the "County") is included only for the purpose of supplying general information regarding the local community and economy. The Bonds are not a debt of the City or of the County. This material has been prepared by or excerpted from the sources noted herein and has not been reviewed for accuracy by the District, Bond Counsel, or the Financial Advisor.

General

The City of Grass Valley (the "City"), with an approximate population of 12,883, is located in the southwestern portion of Nevada County (the "County") in the foothills of the Sierra Mountains. The City is about 60 miles northeast of Sacramento and about 155 miles northeast of San Francisco. The County seat is the city of Nevada City, which is three miles from the City. The City operates as a charter city. It maintains a council-administrator form of government, with the Mayor and Council Members elected at-large for four-year terms. The City grew from the California mining activities of the mid-1850s, and was incorporated in 1893. Today, the City is widely known for its arts and cultural activities

Nevada County (the "County") is located in Northern California between Sacramento and Reno, Nevada. The City and the City of Nevada City, in the western portion of the County, and the alpine Town of Truckee, located to the east, comprise the County's principal population centers. Situated northeast of Sacramento at an elevation averaging 2,500 feet, the County enjoys four annual seasons while remaining above the persistent fog of the Sacramento Valley and below the heavy snows of the Sierra Nevada mountains. Agriculture, tourism, high technology, construction and government are major contributors to the County's economy.

Population

The following table summarizes population estimates for the City, County and State from 2007 through 2016.

POPULATION ESTIMATES
2007-2016
City of Grass Valley, Nevada County, and the State of California

Year[1]	City of Grass Valley	Nevada County	State of California
2007	12,909	98,408	36,399,676
2008	12,937	98,581	36,704,375
2009	12,890	98,558	36,966,713
2010[2]	12,860	98,764	37,253,956
2011	12,807	98,409	37,536,835
2012	12,832	98,069	37,881,357
2013	12,944	97,763	38,239,207
2014	12,953	97,766	38,567,459
2015	12,967	98,037	38,907,642
2016	12,955	98,095	39,255,883

(1) As of January 1.
(2) As of April 1.
Source: California Department of Finance.

Personal Income

The following tables summarize per capita personal income for the County, State of California and United States for the most recent ten-year period.

PER CAPITA PERSONAL INCOME[1]
2006-2015
El Dorado, Nevada and Placer Counties, the State of California and the United States

Year	Nevada County	State of California	United States
2006	$42,674	$42,334	$38,144
2007	44,876	43,692	39,821
2008	45,122	44,162	41,082
2009	44,062	42,224	39,376
2010	45,174	43,315	40,277
2011	47,481	45,820	42,453
2012	49,258	48,312	44,267
2013	49,754	48,471	44,462
2014	52,450	50,988	46,414
2015	55,325	53,741	48,112

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Employment

The following table summarizes the labor force, employment and unemployment figures over the past five years for the Counties and the State.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE
El Dorado, Nevada and Placer, and the State of California
2012-2016(1)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (%)
2012	City of Grass Valley	5,490	4,850	630	11.5
	Nevada County	48,360	43,650	4,710	9.7
	State of California	18,523,800	16,602,700	1,921,100	10.4
2013	City of Grass Valley	5,450	4,920	520	9.6
	Nevada County	48,170	44,270	3,900	8.1
	State of California	18,624,300	16,958,700	1,665,600	8.9
2014	City of Grass Valley	5,400	4,980	420	7.8
	Nevada County	47,940	44,800	3,140	6.5
	State of California	18,755,000	17,348,600	1,406,400	7.5
2015	City of Grass Valley	5,410	5,060	350	6.4
	Nevada County	48,140	45,540	2,600	5.4
	State of California	18,893,200	17,723,300	1,169,900	6.2
2016	City of Grass Valley	5,440	5,130	310	5.7
	Nevada County	48,420	46,120	2,300	4.7
	State of California	19,102,700	18,065,000	1,037,700	5.4

(1) Data is based on annual averages, unless otherwise specified, and is not seasonally adjusted.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2016 Benchmark.

Industry

The following tables summarize the average annual industry employment in the Counties from 2012 through 2016.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES
2012-2016
Nevada County

Type of Employment	2012	2013	2014	2015	2016
Total Farm	90	70	70	70	70
Mining, Logging and Construction	2,340	2,490	2,700	2,730	2,860
Manufacturing	1,630	1,430	1,420	1,360	1,430
Wholesale Trade	410	410	360	380	390
Retail Trade	3,720	3,770	3,840	3,950	4,050
Transportation, Warehousing & Utilities	480	490	480	470	480
Information	300	300	300	290	290
Financial Activities	1,420	1,480	1,340	1,290	1,320
Professional and Business Services	2,070	2,080	2,080	2,160	2,230
Education and Health Services	4,670	4,990	5,030	5,320	5,440
Leisure and Hospitality	4,360	4,560	4,620	4,500	4,610
Other Services	1,250	1,460	1,670	1,790	1,890
Government	5,940	5,960	6,080	6,510	6,500
Total	28,680	29,490	29,970	30,820	31,530

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2016 Benchmark.

Largest Employers

The following tables show the largest private sector and public sector employers located in the County.

LARGEST EMPLOYERS
2016
Nevada County

Employer	Industry	Location
American Rivers Inc	Organizations	Nevada City
Boreal Mountain Resort	Resorts	Truckee
Briarpatch Community Market	Grocers-Retail	Grass Valley
Clear Capital	Real Estate Buyers & Brokers	Truckee
Golden Empire Convalescent Hospital	Nursing & Convalescent Homes	Grass Valley
Interfaith Food Ministry	Non-Profit Organizations	Grass Valley
Jehovah's Witnesses	Churches	Grass Valley
Kmart	Department Stores	Grass Valley
Lodge At Tahoe Donner	Restaurants	Truckee
Milhous School Inc	Schools	Nevada City
Networked Insurance Agents LLC	Insurance	Grass Valley
Nevada County Charter Co-Op	County Government-General Offices	Nevada City
Nevada Irrigation District	Water & Sewage Companies-Utility	Grass Valley
Nevada Union High School	Schools	Grass Valley
R S Clark Septic	Septic Tanks	Not Available
Raley's	Grocers-Retail	Grass Valley
Robinson Enterprises Inc.	Logging Companies (mfrs)	Nevada City
Safeway	Grocers-Retail	Grass Valley
Safeway	Grocers-Retail	Truckee
Save Mart	Grocers-Retail	Grass Valley
Sierra Nevada Memorial Hospital	Hospitals	Grass Valley
Sierra Nv Meml-Miners Hosptials	Hospitals	Grass Valley
Tahoe Forest Hospital District	Hospitals	Truckee
Tahoe Forest Hospital District	Hospitals	Truckee
Thurston Manufacturing	Furniture-Dealers-Wholesale	Grass Valley

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System) Employer Database, 20171st Edition.

Commercial Activity

The following tables summarize taxable sales within the City and the County from 2011 through 2015.

TAXABLE SALES
City of Grass Valley
2011-2015
(Dollars in Thousands)

Year	Retail and Food Permits	Retail and Food Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2011	611	$357,661	904	$425,417
2012	654	365,810	951	430,459
2013	677	376,926	960	439,992
2014	680	380,078	953	444,403
2015	661	396,630	1,035	475,633

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

TAXABLE SALES
Nevada County
2011-2015
(Dollars in Thousands)

Year	Retail and Food Permits	Retail and Food Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2011	2,629	$740,362	3,890	$1,074,759
2012	2,709	762,019	3,986	1,105,485
2013	2,880	814,687	4,154	1,160,455
2014	2,879	852,754	4,132	1,220,368
2015	1,868	892,425	4,790	1,285,583

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

Construction Activity

The following tables identify the number of new building permits, and valuations in the City and County.

BUILDING PERMITS AND VALUATIONS
City of Grass Valley
2011-2015
(Dollars in Thousands)

	2011	2012	2013	2014	2015
Residential	$1,068	$779	$1,629	$7,096	$2,475
Non-Residential	6,783	3,360	7,946	11,255	4,034
TOTAL[1]	$7,851	$4,139	$9,575	$18,351	$6,509
New Dwelling Units					
Single Family	3	4	6	2	7
Multiple Family	0	0	0	88	0
TOTAL[1]	3	4	6	90	7

(1) Columns may not add to totals due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
Nevada County
2011-2015
(Dollars in Thousands)

	2011	2012	2013	2014	2015
Residential	$42,053	$38,904	$65,900	$90,838	$94,475
Non-Residential	26,724	21,845	21,166	28,756	28,880
TOTAL[1]	$68,777	$62,761	$89,079	$119,594	$123,355
New Dwelling Units					
Single Family	91	91	173	215	217
Multiple Family	0	0	0	97	6
TOTAL[1]	91	91	173	312	223

(1) Columns may not add to totals due to rounding.
Source: Construction Industry Research Board.

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APPENDIX E

NEVADA COUNTY TREASURY POOL

The following information concerning the Nevada County (the "County") Treasury Pool (the "Treasury Pool") has been provided by the Treasurer-Tax Collector of the County (the "Treasurer"), and has not been confirmed or verified by the District, the Financial Advisor or the Underwriter. Neither the District, the Financial Advisor nor the Underwriter has made an independent investigation of the investments in the Treasury Pool nor any assessment of the current County investment policy. The value of the various investments in the Treasury Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer may change the investment policy at any time. Therefore, there can be no assurance that the values of the various investments in the Treasury Pool will not vary significantly from the values described herein. Finally, neither the District, the Financial Advisor nor the Underwriter makes any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained is correct as of any time subsequent to its date. Further information may be obtained from the Treasurer at the following website: https://www.mynevadacounty.com/nc/ttc/Pages/Home.aspx. However, the information presented on such website is not incorporated into this Official Statement by any reference.

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County of Nevada ~
Office of the Treasurer & Tax Collector

Tina M. Vernon
Treasurer & Tax Collector

950 Maidu Avenue
PO Box 128
Nevada City, CA 95959-0128
(530) 265-1285
ttc@co.nevada.ca.us

May 5, 2017

Board of Supervisors
County of Nevada
Nevada City, CA 95959

Honorable Board of Supervisors:

The following report represents the Treasury's Portfolio as of April 30, 2017.

Portfolio Review for Month Ending April 30, 2017

Portfolio Composition

Book Value of Assets Held	$257,215,706.06
Market Value of Assets Held	$258,999,567.31
Cash at Month End	$5,723,425.02
Assets Maturing Within 90 days (does not include cash)	45.18%
Weighted Average Maturity	533 days

Return of Assets

Total Earnings Month Ended	$179,010.38
Total Earnings Fiscal YTD	$2,002,584.97
Yield to Maturity @ Cost Month Ended	1.35%

The Treasury has received **$68,124,037.89** in receipts and has paid approved expenditures of **$27,033,395.31** for a net increase of **$41,090,642.58** for the month of April 2017. Of these funds, the average percent invested for the month of April is 95.00%. Please see attached reports for details.

Respectfully Submitted,

Tina M. Vernon
Treasurer & Tax Collector

** see next page for Apportioned Interest Information

Apportioned Interest Information

	Reciprocal	Interest Rate
First quarter interest apportionment	**0.3383195094**	**1.35%**
First Quarter Interest Earned	$631,956.23	
Cost of doing business-Treasurer	($50,511.73)	
Cost of doing business- Auditor	($20,264.35)	
Net Interest Apportioned	**$561,180.15**	
Second quarter interest apportionment	**0.1737355939**	**0.69%**
Second Quarter Interest Earned	$423,990.40	
Cost of doing business-Treasurer	($56,705.32)	
Cost of doing business- Auditor	($17,584.34)	
Net Interest Apportioned	**$349,700.74**	
Third quarter interest apportionment	**0.3341522849**	**1.34%**
Third Quarter Interest Earned	$767,627.96	
Cost of doing business-Treasurer	($47,447.41)	
Cost of doing business- Auditor	($14,701.66)	
Net Interest Apportioned	**$705,478.89**	
Fourth quarter interest apportionment		
Fourth Quarter Interest Earned		
Cost of doing business-Treasurer		
Cost of doing business- Auditor		
Net Interest Apportioned		

NEVADA COUNTY TREASURER PORTFOLIO REPORTS

The following reports reflect the County of Nevada's Treasurer's Investment Pool Portfolio for the period ending April 30, 2017. These reports have two primary objectives: (1) to provide information regarding portfolio holdings as to compliance with California Government Code Sections 53601 and 53635, as well as the County Treasurer's Statement of Investment Policy, and (2) to detail portfolio characteristics of the portfolio's investment holdings.

Portfolio Holdings by Asset Class Summary

- Provides a snap shot of the entire Nevada County Portfolio at month end. Includes liquid assets and cash.

Distribution by Security Sector – Chart

- A month-to-month comparison of distribution by Security Sector for the portfolio. Calculates the percentage of each sector to ensure compliance with Investment Policy.

Distribution by Maturity Range – Chart

- Provides an overview of portfolio liquidity and month to month changes for the portfolio. Important for cash flow projections and overall ladder performance.

Total Rate of Return- Book Value by Month - Chart

- Checks performance of the **Fixed Income portfolio** based on Investment Policy performance standards using the Treasury benchmark closest to our current weighted average maturity of the Fixed Income Portfolio. The Fixed Income Portfolio includes only the marketable securities and excludes LAIF, CAMP and the Money Market Account.

Transaction Summary by Action

- All transactions occurring for the month of report.

Portfolio Holdings by Asset Class - Detail Report

- Detailed listing of all securities held in the portfolio at month end.

Nevada County
Portfolio Holdings by Asset Class - Summary
April 30, 2017

The market value listing is a "snapshot" of the investments from the viewpoint of what might be financially gained or lost if the County were to sell any of the investments on the date shown at the top of this report. It is a tool used to maximize on investment income and should not be considered as a statement of actual (or realized) profits or losses. The market value lists are received from the Safekeeping Bank - Bank of the West.

Just for a point of clarity:
Unrealized profits and losses are the differences between the book value and market value of a security and do not become realized unless the security is sold prior to maturity.

Asset Class	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
CD - Negotiable >> 30%	18,890,000.00	18,845,487.61	18,889,445.53	7.36	1.64	999
Commercial Paper >> 40%	16,000,000.00	15,931,860.80	15,929,203.60	6.23	1.34	116
Corporate Notes >> 30% Limit	36,000,000.00	36,165,640.00	36,133,787.22	14.02	1.85	900
Liquid Assets >> 0%	102,128,286.70	102,128,286.70	102,128,286.70	39.77	0.89	1
Municipal Bonds >> 0% Limit	26,775,000.00	26,886,902.20	26,966,900.81	10.43	1.82	984
US Agency Bonds >> 0% Limit	57,000,000.00	57,041,390.00	57,148,082.20	22.20	1.53	1,001
Total / Average	**256,793,286.70**	**256,999,567.31**	**257,215,706.06**	**100.00**	**1.35**	**533**

Tina M. Vernon, Treasurer

5/3/17

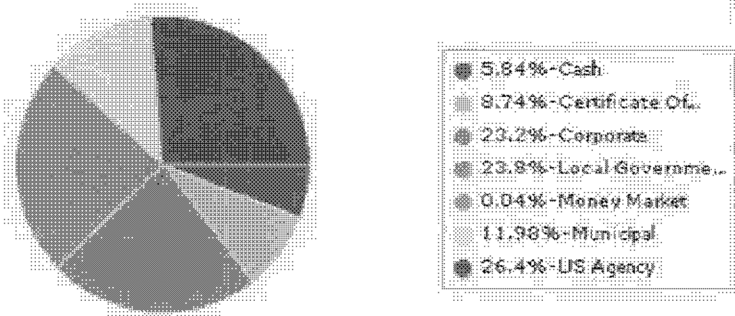
Date

Nevada County
Distribution by Security Sector - Market Value
All Portfolios

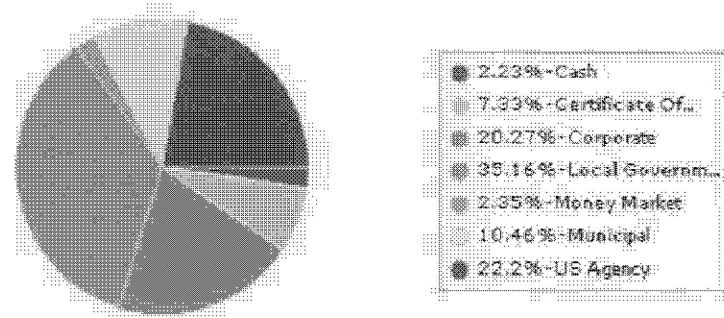
Begin Date: 3/31/2017, End Date: 4/30/2017

Security Sector Allocation				
Security Sector	Market Value 3/31/2017	% of Portfolio 3/31/2017	Market Value 4/30/2017	% of Portfolio 4/30/2017
Cash	12,583,850.16	5.84	5,723,425.02	2.23
Certificate Of Deposit	18,857,189.11	8.74	18,845,487.61	7.33
Corporate	50,034,926.40	23.20	52,097,500.80	20.27
Local Government Investment Pool	51,319,294.12	23.80	90,373,461.56	35.16
Money Market	91,574.47	0.04	6,081,400.12	2.35
Municipal	25,827,824.70	11.98	26,886,902.20	10.46
US Agency	56,919,670.00	26.40	57,041,390.00	22.20
Total / Average	**215,634,328.96**	**100.00**	**256,999,567.31**	**100.00**

Portfolio Holdings as of 3/31/2017



Portfolio Holdings as of 4/30/2017



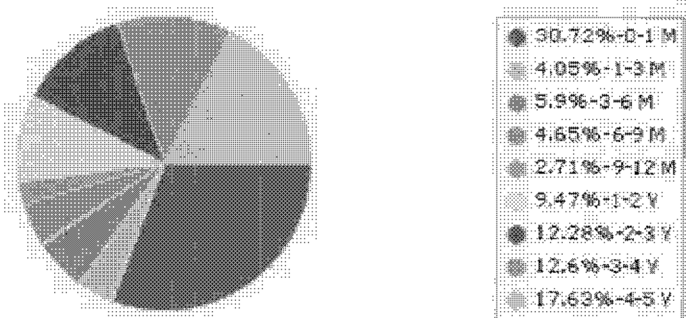
Nevada County
Distribution by Maturity Range - Market Value
All Portfolios

Begin Date: 3/31/2017, End Date: 4/30/2017

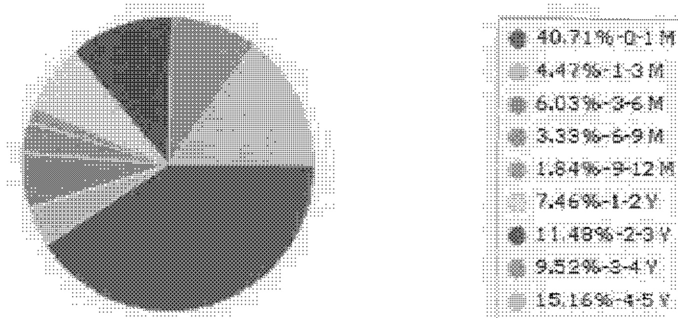
Maturity Range Allocation

Maturity Range	Market Value 3/31/2017	% of Portfolio 3/31/2017	Market Value 4/30/2017	% of Portfolio 4/30/2017
0-1 Month	66,239,467.25	30.72	104,617,373.15	40.71
1-3 Months	8,736,292.00	4.05	11,478,779.55	4.47
3-6 Months	12,713,567.65	5.90	15,504,954.15	6.03
6-9 Months	10,020,456.60	4.65	8,560,435.60	3.33
9-12 Months	5,839,703.90	2.71	4,732,829.55	1.84
1-2 Years	20,413,584.00	9.47	19,168,482.57	7.46
2-3 Years	26,486,239.06	12.28	29,505,860.39	11.48
3-4 Years	27,170,483.35	12.60	24,476,197.75	9.52
4-5 Years	38,014,535.15	17.63	38,954,654.60	15.16
Total / Average	**215,634,328.96**	**100.00**	**256,999,567.31**	**100.00**

Portfolio Holdings as of 3/31/2017



Portfolio Holdings as of 4/30/2017



Nevada County

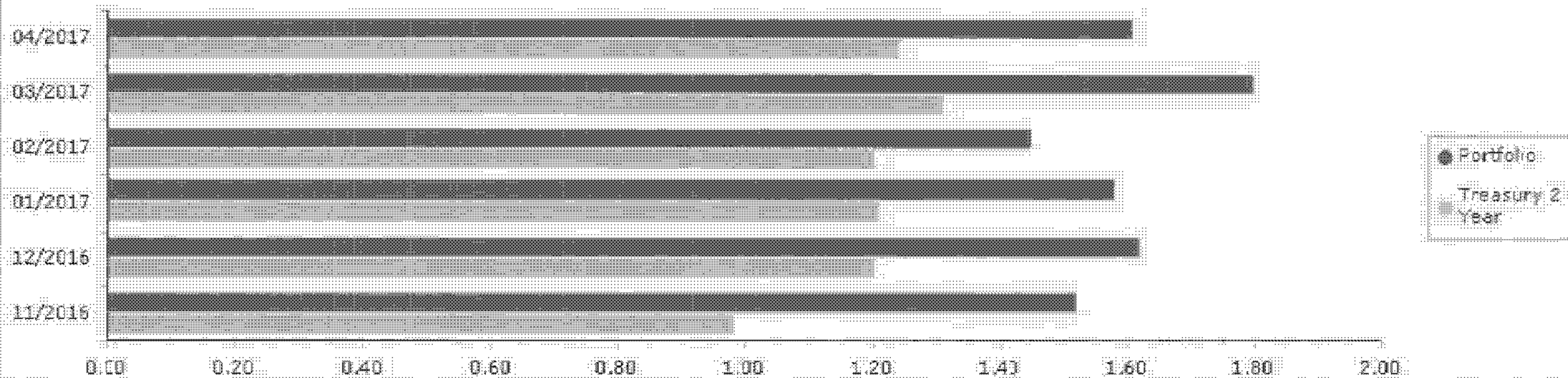
Total Rate of Return - Book Value by Month

Nevada County - Fixed Income

Begin Date: 11/30/2016, End Date: 4/30/2017

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 2 Year
11/30/2016	137,325,928.19	172,349.93	0.00	172,349.93	136,981,633.80	0.13	1.52	0.98
12/31/2016	139,145,563.69	186,655.41	0.00	186,655.41	139,503,497.04	0.13	1.62	1.20
1/31/2017	140,667,996.06	186,193.45	0.00	186,193.45	142,098,609.67	0.13	1.58	1.21
2/28/2017	145,369,326.59	177,779.41	0.00	177,779.41	147,688,920.69	0.12	1.45	1.20
3/31/2017	147,263,659.00	221,968.06	0.00	221,968.06	149,415,164.83	0.15	1.80	1.31
4/30/2017	152,732,781.47	203,362.97	0.00	203,362.97	153,013,596.58	0.13	1.61	1.24

Annualized TRR-BV



Nevada County
Transaction Summary by Action
All Portfolios

Begin Date: 3/31/2017, End Date: 4/30/2017

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Buy Transactions									
Buy	4/6/2017	40588LY11	2,000,000.00	Halkin Finance LLC 0 11/1/2017	99.19	1,983,860.56	0.00	1.42	1,983,860.56
Buy	4/13/2017	62847HAR0	245,000.00	MutualOne Bank 2.1 4/13/2022	100.00	245,000.00	0.00	2.10	245,000.00
Buy	4/19/2017	63873JZF0	2,000,000.00	Natixis NY Branch 0 12/15/2017	99.06	1,981,133.33	0.00	1.45	1,981,133.33
Buy	4/27/2017	13063DAD0	1,015,000.00	CA STATE HIGH-SPEED PASSENGER TRAIN 2.367 4/1/2022	100.92	1,024,287.25	0.00	2.17	1,024,287.25
	Subtotal		**5,260,000.00**			**5,234,281.14**	**0.00**		**5,234,281.14**
Deposit	4/3/2017	TRICOURTS	5.71	Tri Counties Bank - Courts Cash	100.00	5.71	0.00	0.00	5.71
Deposit	4/3/2017	MM7323	10.11	Bank of the West MM	100.00	10.11	0.00	0.00	10.11
Deposit	4/3/2017	CAMP	32,902.28	CAMP LGIP	100.00	32,902.28	0.00	0.00	32,902.28
Deposit	4/3/2017	TRIDISTRICT	16.22	Tri Counties Bank - District Cash	100.00	16.22	0.00	0.00	16.22
Deposit	4/3/2017	BOWDIST	0.55	Bank of the West - District Cash	100.00	0.55	0.00	0.00	0.55
Deposit	4/17/2017	LAIF	21,265.16	LAIF California LGIP	100.00	21,265.16	0.00	0.00	21,265.16
Deposit	4/28/2017	BOFA	137,664.49	Bank of America Cash	100.00	137,664.49	0.00	0.00	137,664.49
Deposit	4/28/2017	CAMP	39,000,000.00	CAMP LGIP	100.00	39,000,000.00	0.00	0.00	39,000,000.00
Deposit	4/28/2017	DREYFUSMM	5,939,815.54	BOW MM	100.00	5,939,815.54	0.00	0.00	5,939,815.54
Deposit	4/28/2017	CASH	31,025.69	Treasury Cash Cash	100.00	31,025.69	0.00	0.00	31,025.69
	Subtotal		**45,162,705.75**			**45,162,705.75**	**0.00**		**45,162,705.75**
Total Buy Transactions			**50,422,705.75**			**50,396,986.89**	**0.00**		**50,396,986.89**
Interest/Dividends									
Interest	4/1/2017	032556CB6	0.00	ANAHEIM CA HSG & PUBLIC IMPT 1.765 10/1/2021-1		0.00	7,942.50	0.00	7,942.50
Interest	4/1/2017	072031AF4	0.00	Bay Area Utility 1.914 10/1/2019-13		0.00	9,570.00	0.00	9,570.00
Interest	4/1/2017	48121CYK6	0.00	JP Morgan Chase 5 10/1/2017		0.00	60,000.00	0.00	60,000.00
Interest	4/1/2017	13063CSQ4	0.00	CA State Gen Obligation 1.8 4/1/2020		0.00	9,000.00	0.00	9,000.00
Interest	4/2/2017	3137EADM8	0.00	FHLMC 1.25 10/2/2019		0.00	12,500.00	0.00	12,500.00
Interest	4/3/2017	TRICOURTS	0.00	Tri Counties Bank - Courts Cash		0.00	5.71	0.00	5.71
Interest	4/3/2017	MM7323	0.00	Bank of the West MM		0.00	10.11	0.00	10.11
Interest	4/3/2017	CAMP	0.00	CAMP LGIP		0.00	32,902.28	0.00	32,902.28
Interest	4/3/2017	TRIDISTRICT	0.00	Tri Counties Bank - District Cash		0.00	16.22	0.00	16.22

Nevada County
Transaction Summary by Action
All Portfolios

Begin Date: 3/31/2017, End Date: 4/30/2017

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Interest	4/3/2017	BOWDIST	0.00	Bank of the West - District Cash		0.00	0.55	0.00	0.55
Interest	4/7/2017	02587DC89	0.00	Amex Centurion 2.35 10/7/2020		0.00	2,870.86	0.00	2,870.86
Interest	4/7/2017	3135G0Q89	0.00	FNMA 1.375 10/7/2021		0.00	13,750.00	0.00	13,750.00
Interest	4/9/2017	27631PCH5	0.00	Eastern Colorado Bank 1.8 10/9/2020		0.00	2,198.96	0.00	2,198.96
Interest	4/14/2017	43733LAW7	0.00	Home Savings Bank UT 1.45 4/14/2021		0.00	1,771.38	0.00	1,771.38
Interest	4/15/2017	594698PG1	0.00	MICHIGAN STATE STRATEGIC FUND 2.131 10/15/2021-16		0.00	19,889.33	0.00	19,889.33
Interest	4/15/2017	34387AAA7	0.00	Flushing Bank 1 6/30/2017		0.00	208.08	0.00	208.08
Interest	4/15/2017	12480LDV6	0.00	CBC National Bank 1.5 4/15/2021		0.00	1,832.47	0.00	1,832.47
Interest	4/16/2017	45083AEJ7	0.00	Iberia Bank 1.1 4/16/2018		0.00	1,343.81	0.00	1,343.81
Interest	4/17/2017	LAIF	0.00	LAIF California LGIP		0.00	21,285.16	0.00	21,285.16
Interest	4/21/2017	855821AH7	0.00	State Bank and Trust Co 1.4 10/21/2021		0.00	1,710.30	0.00	1,710.30
Interest	4/23/2017	118645BW1	0.00	Bucks County Bank 0.95 5/23/2017		0.00	197.68	0.00	197.68
Interest	4/24/2017	87164DCW8	0.00	Synovus Bank, GA 0.7 4/24/2017		0.00	864.55	0.00	864.55
Interest	4/24/2017	07370VYY8	0.00	Beal Bank 0.9 4/25/2018		0.00	1,099.48	0.00	1,099.48
Interest	4/26/2017	3135G0PQ0	0.00	FNMA 0.875 10/26/2017		0.00	8,750.00	0.00	8,750.00
Interest	4/28/2017	202291AA8	0.00	COMMERCAIL SAVINGS BANK 1.45 10/28/2021		0.00	1,771.38	0.00	1,771.38
Interest	4/29/2017	06740KGR2	0.00	Barclay Bank 1.9 4/29/2019		0.00	2,321.12	0.00	2,321.12
Interest	4/30/2017	3135G0WM1	0.00	FNMA 1 4/30/2018-15		0.00	5,000.00	0.00	5,000.00
Interest	4/30/2017	78658AFZ6	0.00	Safra National Bank, NY 0.8 5/1/2017-13		0.00	483.29	0.00	483.29
Interest	4/30/2017	06424XBW1	0.00	Bk of Georgetown 1.45 4/30/2020		0.00	1,761.65	0.00	1,761.65
	Subtotal		**0.00**			**0.00**	**221,036.87**		**221,036.87**
Total Interest/Dividends			**0.00**			**0.00**	**221,036.87**		**221,036.87**
Sell Transactions									
Matured	4/6/2017	71708ER64	2,000,000.00	PFIZER INC 0 4/6/2017	0.00	2,000,000.00	0.00	0.00	2,000,000.00
Matured	4/24/2017	87164DCW8	245,000.00	Synovus Bank, GA 0.7 4/24/2017	0.00	245,000.00	0.00	0.00	245,000.00
	Subtotal		**2,245,000.00**			**2,245,000.00**	**0.00**		**2,245,000.00**
Withdraw	4/28/2017	TRICOURTS	59,115.00	Tri Counties Bank - Courts Cash	0.00	59,115.00	0.00	0.00	59,115.00
Withdraw	4/28/2017	BOWCCO	45,273.81	Bank of the West - Credit Card Other Cash	0.00	45,273.81	0.00	0.00	45,273.81

Nevada County
Transaction Summary by Action
All Portfolios

Begin Date: 3/31/2017, End Date: 4/30/2017

Action	Settlement Date	CUSIP	Face Amount / Shares	Description	Purchase Price	Principal	Interest / Dividends	YTM @ Cost	Total
Withdraw	4/28/2017	BOWDEMAND	5,116,664.15	Bank of the West - Demand Account Cash	0.00	5,116,664.15	0.00	0.00	5,116,664.15
Withdraw	4/28/2017	TCCC	44,358.74	Bank of the West - Tax Credit Card Cash	0.00	44,358.74	0.00	0.00	44,358.74
Withdraw	4/28/2017	CHECKS	1,676,355.93	Checks Cash	0.00	1,676,355.93	0.00	0.00	1,676,355.93
Withdraw	4/28/2017	TRIDISTRICT	12,141.31	Tri Counties Bank - District Cash	0.00	12,141.31	0.00	0.00	12,141.31
Withdraw	4/28/2017	BOWDIST	75,228.86	Bank of the West - District Cash	0.00	75,228.86	0.00	0.00	75,228.86
	Subtotal		7,029,137.80			7,029,137.80	0.00		7,029,137.80
Total Sell Transactions			9,274,137.80			9,274,137.80	0.00		9,274,137.80

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
CD - Negotiable >> 30%								
Ally Bank 1.1 5/30/2017		5/29/2014	245,000.00	100.03	245,080.85	0.1%	NR	30
02006LEV1	245,000.00	1.10	245,000.00	0.70	1,122.30	80.85	NR	0.08
American Express Bank UT 2 7/24/2019		7/24/2014	247,000.00	100.89	249,203.24	0.1%	NR	815
02587CAJ9	247,000.00	2.00	247,000.00	1.59	1,299.29	2,203.24	NR	2.19
Amex Centurion 2.35 10/7/2020		10/7/2015	245,000.00	101.59	248,897.95	0.1%	NR	1256
02587DC89	245,000.00	2.35	245,000.00	1.87	362.80	3,897.95	NR	3.32
Bank Hapoalim 1.45 3/11/2021		3/11/2016	245,000.00	98.21	240,621.85	0.1%	NR	1411
06251AL81	245,000.00	1.45	245,000.00	1.93	486.64	-4,378.15	NR	3.76
Bank Leumi USA 2 11/25/2019		11/25/2014	245,000.00	101.01	247,469.80	0.1%	NR	939
063248EX2	245,000.00	2.00	245,000.00	1.60	2,094.25	2,469.60	NR	2.5
BANK OF BARODA 1.85 11/23/2021		11/23/2016	245,000.00	98.54	241,415.65	0.1%	NR	1668
06062QXG4	245,000.00	1.85	245,000.00	2.19	1,962.01	-3,584.35	NR	4.36
Barclay Bank 1.9 4/29/2019		4/29/2014	245,000.00	100.92	247,241.75	0.1%	NR	729
06740KGR2	245,000.00	1.90	245,000.00	1.43	12.75	2,241.75	NR	1.97
Beal Bank 0.9 4/25/2018		4/24/2013	245,000.00	99.77	244,434.05	0.1%	NR	360
07370VYY8	245,000.00	0.90	245,000.00	1.14	36.25	-565.95	NR	0.98
Belmont Savings Bank 1 9/7/2017		11/7/2014	245,000.00	100.11	245,274.40	0.1%	NR	130
080515BA6	245,000.00	1.00	245,000.00	0.68	1,157.95	274.40	NR	0.35
BENEFICIAL BANK 1.5 9/13/2021		9/12/2016	245,000.00	97.35	238,505.05	0.1%	NR	1597
08173QBR6	245,000.00	1.50	245,000.00	2.14	403.36	-6,494.95	NR	4.24
Bk of Georgetown 1.45 4/30/2020		4/30/2015	245,000.00	100.60	246,457.75	0.1%	NR	1096
06424XBW1	245,000.00	1.45	245,000.00	1.25	0.00	1,457.75	NR	2.95
BMW BANK NORTH AMERICA 2.25 11/18/2020		11/18/2015	245,000.00	101.07	247,619.05	0.1%	None	1298
05580ADF8	245,000.00	2.25	245,000.00	1.94	2,461.75	2,619.05	None	3.4

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Bucks County Bank 0.95 6/23/2017		12/30/2013	245,000.00	100.03	245,073.50	0.1%	NR	54
118545BW1	245,000.00	0.95	245,000.00	0.75	44.64	73.50	NR	0.15
CALDWELL BANK & TRUST CO 1.4 5/13/2021		5/13/2016	245,000.00	98.96	242,456.90	0.1%	NR	1474
128829AC2	245,000.00	1.40	245,000.00	1.67	1,578.74	-2,543.10	NR	3.91
Capital One 2.3 7/15/2020		7/15/2015	245,000.00	101.12	247,746.45	0.1%	NR	1172
14042E4P2	245,000.00	2.30	245,000.00	1.94	1,621.03	2,746.45	NR	3.09
Capital One Bank 2.05 9/24/2019		9/24/2014	245,000.00	100.82	247,013.90	0.1%	NR	877
140420PJ3	245,000.00	2.05	245,000.00	1.70	509.13	2,013.90	NR	2.36
CBC National Bank 1.5 4/15/2021		4/15/2016	245,000.00	98.31	240,859.50	0.1%	NR	1446
12480LDV6	245,000.00	1.50	245,000.00	1.95	151.03	-4,140.50	NR	3.86
CELTIC BANK 1.5 6/15/2021		6/15/2016	245,000.00	98.40	241,082.45	0.1%	NR	1507
15118RLA3	245,000.00	1.50	245,000.00	1.91	1,369.52	-3,917.55	NR	3.99
CHARTER BANK EAU CLAIRE 1.45 5/13/2021		5/13/2016	245,000.00	98.96	242,459.35	0.1%	NR	1474
16116PHP9	245,000.00	1.45	245,000.00	1.72	1,635.12	-2,540.65	NR	3.91
Citizens Savings Bank 2.05 3/24/2022		3/24/2017	245,000.00	98.72	241,868.90	0.1%	NR	1789
17558OAV3	245,000.00	2.05	245,000.00	2.33	509.13	-3,131.10	NR	4.68
COMMERCAIL SAVINGS BANK 1.45 10/28/2021		10/28/2016	245,000.00	96.98	237,588.75	0.1%	NR	1642
202291AA8	245,000.00	1.45	245,000.00	2.18	19.47	-7,411.25	NR	4.36
COMMERCIAL ST BANK 1.5 6/10/2021		6/10/2016	245,000.00	98.04	240,195.55	0.1%	NR	1502
20239PAC9	245,000.00	1.50	245,000.00	2.00	1,419.56	-4,804.45	NR	3.98
Compass Bank, AL 1.9 11/20/2018		11/20/2013	245,000.00	100.83	247,038.40	0.1%	NR	569
20451PHG4	245,000.00	1.90	245,000.00	1.36	2,053.30	2,038.40	NR	1.53
Customers Bank 1.05 7/21/2017		1/21/2015	245,000.00	100.11	245,262.15	0.1%	NR	82
23204HCE5	245,000.00	1.05	245,000.00	0.58	697.75	262.15	NR	0.23

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Discover Bank 1.6 8/8/2017		8/8/2012	245,000.00	100.22	245,548.80	0.1%	NR	100
254671FG0	245,000.00	1.60	245,000.00	0.79	569.92	548.80	NR	0.28
Dollar Bank FSB 2.05 3/8/2022		3/8/2017	245,000.00	98.82	242,096.75	0.1%	NR	1773
25665QAV7	245,000.00	2.05	245,000.00	2.31	729.29	-2,903.25	NR	4.63
EAST BOSTON SAVINGS BANK 1.5 6/23/2021		6/23/2016	245,000.00	97.96	240,011.80	0.1%	NR	1515
27113PBE0	245,000.00	1.50	245,000.00	2.01	1,288.77	-4,988.20	NR	4.01
Eastern Colorado Bank 1.8 10/9/2020		10/9/2015	245,000.00	101.27	248,111.50	0.1%	NR	1258
27631PCH5	245,000.00	1.80	245,000.00	1.42	253.73	3,111.50	NR	3.35
Enerbank 1.8 7/29/2019		7/29/2015	245,000.00	100.45	246,100.05	0.1%	NR	820
29266NP27	245,000.00	1.80	245,000.00	1.60	1,099.48	1,100.05	NR	2.2
Everbank 1.85 6/19/2020		6/19/2015	245,000.00	100.07	245,166.60	0.1%	NR	1140
29976DYJ3	245,000.00	1.85	245,000.00	1.83	1,639.15	166.60	NR	3.04
Farmer's & Merchants Savings Bank 1.55 2/2		2/26/2016	245,000.00	100.05	245,127.40	0.1%	NR	1396
308863AH2	245,000.00	1.55	245,000.00	1.54	634.65	127.40	NR	3.72
First Bank of Highland 2.2 3/22/2022		3/22/2017	245,000.00	99.42	243,588.80	0.1%	NR	1787
319141EW3	245,000.00	2.20	245,000.00	2.33	575.92	-1,411.20	NR	4.66
First Business Bank 0.95 7/20/2017		1/20/2015	245,000.00	100.04	245,100.45	0.1%	NR	81
31938QK29	245,000.00	0.95	245,000.00	0.76	637.67	100.45	NR	0.22
First Eagle Natl Bank 1.7 12/9/2021		12/9/2016	245,000.00	97.79	239,583.05	0.1%	NR	1684
32008JBE2	245,000.00	1.70	245,000.00	2.21	1,620.36	-5,416.95	NR	4.42
First Merit Bank 1.3 2/26/2018		2/24/2014	245,000.00	100.41	246,004.50	0.1%	NR	302
320844NW9	245,000.00	1.30	245,000.00	0.80	567.19	1,004.50	NR	0.82
First Resource 1.3 7/30/2018		1/28/2015	245,000.00	100.61	245,496.95	0.1%	NR	456
336177AQ3	245,000.00	1.30	245,000.00	0.81	802.79	1,496.95	NR	1.24

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description / CUSIP	Face Amount / Shares	Settlement Date / YTM @ Cost	Cost Value / Book Value	Market Price / YTM @ Market	Market Value / Accrued Interest	% Portfolio / Unre. Gain/Loss	Credit Rating / Credit Rating	Days To Call/Maturity / Duration To Maturity
First Source Bank 1.5 7/29/2019		5/29/2015	245,000.00	100.21	245,512.05	0.1%	NR	820
33646CEX8	245,000.00	1.50	245,000.00	1.41	1,530.41	512.05	NR	2.2
Flushing Bank 1.6/30/2017		12/30/2013	245,000.00	100.04	245,100.45	0.1%	NR	61
34387AAA7	245,000.00	1.00	245,000.00	0.75	100.68	100.45	NR	0.17
GE Capital Bank Retail 1.75 8/3/2017		8/3/2012	245,000.00	100.25	245,619.85	0.1%	NR	95
36160YP90	245,000.00	1.75	245,000.00	0.78	1,010.21	619.85	NR	0.26
GE Capital Retail 1.75 8/3/2017		8/3/2012	245,000.00	100.25	245,619.85	0.1%	NR	95
36161N5D6	245,000.00	1.75	245,000.00	0.78	1,010.21	619.85	NR	0.26
Goldman Sachs 1.6 8/8/2017		8/8/2012	245,000.00	100.28	245,683.55	0.1%	NR	100
38143AYD1	245,000.00	1.60	245,000.00	0.79	978.66	683.55	NR	0.28
Home Savings Bank UT 1.45 4/14/2021		4/14/2016	245,000.00	100.06	245,144.55	0.1%	NR	1445
43733LAW7	245,000.00	1.45	245,000.00	1.44	155.73	144.55	NR	3.86
HSBC Bank USA 2.45 3/21/2022-19		3/21/2017	245,000.00	100.59	246,443.05	0.1%	NR	690
40434YGK7	245,000.00	2.45	245,000.00	2.32	657.81	1,443.05	NR	4.63
Iberia Bank 1.1 4/16/2018		4/16/2015	245,000.00	99.98	244,951.00	0.1%	NR	351
45083AEJ7	245,000.00	1.10	245,000.00	1.12	103.37	-49.00	NR	0.96
Investors Bank 2 8/25/2020		8/25/2015	245,000.00	101.44	248,525.56	0.1%	NR	1213
46176PEJ0	245,000.00	2.00	245,000.00	1.55	859.18	3,525.56	NR	3.22
Iowa State Bank 1.7 1/25/2021		1/25/2017	245,000.00	99.23	243,123.30	0.1%	NR	1366
46256YAM1	245,000.00	1.70	245,000.00	1.81	1,084.04	-1,876.70	NR	3.62
LCA Bank 1.5 5/5/2020		5/5/2015	245,000.00	100.56	246,372.00	0.1%	NR	1101
501798GQ8	245,000.00	1.50	245,000.00	1.31	1,772.05	1,372.00	NR	2.94
Luana Savings Bank 1.35 5/3/2019		2/3/2016	245,000.00	99.65	244,142.50	0.1%	NR	733
549103TD1	245,000.00	1.35	245,000.00	1.53	779.30	-857.50	NR	1.98
Manuf & Traders Trust 1.5/7/2018		5/8/2015	245,000.00	100.14	245,347.90	0.1%	NR	372
564759QP6	245,000.00	1.00	245,000.00	0.86	1,174.66	347.90	NR	1.01

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Marlin Business Bank 1.45 6/25/2018		12/23/2014	245,000.00	100.28	245,695.80	0.1%	NR	421
57116AJE8	245,000.00	1.45	245,000.00	1.20	1,245.81	695.80	NR	1.14
Mechanics Savings Bank 1.65 2/4/2021		2/4/2016	245,000.00	100.26	245,646.80	0.1%	NR	1375
583686BR0	245,000.00	1.65	245,000.00	1.58	941.40	646.80	NR	3.65
MEDALLION BANK 1.4 7/26/2021		7/25/2016	245,000.00	97.57	239,036.70	0.1%	NR	1548
58403B4S2	245,000.00	1.40	245,000.00	2.00	892.74	-5,963.30	NR	4.11
Mercantile Commerce Bank 1.65 6/24/2021		6/24/2016	245,000.00	98.36	240,972.20	0.1%	NR	1516
58733ACY3	245,000.00	1.65	245,000.00	2.07	1,406.57	-4,027.80	NR	4
MUFG Union Bank 1.58 6/26/2018		9/26/2014	1,000,000.00	100.28	1,002,820.00	0.39%	Moodys-A2	422
62478TBJ7	1,000,000.00	1.58	1,000,000.00	1.27	41,562.78	2,820.00	S&P-A+	1.17
MutualOne Bank 2.1 4/13/2022		4/13/2017	245,000.00	98.84	242,148.20	0.1%	NR	1809
62847HAR0	245,000.00	2.10	245,000.00	2.35	239.63	-2,851.80	NR	4.72
My Satra Bank FSB 1.45 10/23/2020		3/23/2015	245,000.00	99.84	244,612.90	0.1%	NR	1272
55406JAR3	245,000.00	1.45	245,000.00	1.50	369.85	-387.10	NR	3.4
National Cooperative Bank 1.5 3/9/2021		3/9/2016	245,000.00	100.07	245,178.85	0.1%	NR	1409
635573AH1	245,000.00	1.50	245,000.00	1.48	523.56	178.85	NR	3.76
NBT Bank 2.1 8/27/2019		8/27/2014	245,000.00	100.85	247,070.25	0.1%	NR	849
628779FP0	245,000.00	2.10	245,000.00	1.73	873.65	2,070.25	NR	2.28
NCB Savings Bank 1.85 12/19/2019		12/19/2014	245,000.00	100.96	247,356.90	0.1%	NR	963
628825JT9	245,000.00	1.85	245,000.00	1.48	1,639.15	2,356.90	NR	2.57
Northfield Bank 1.15 9/5/2017		9/3/2014	245,000.00	100.12	245,289.10	0.1%	NR	128
66612AAD0	245,000.00	1.15	245,000.00	0.81	447.71	289.10	NR	0.35
Peoples United Bank NA 2 1/25/2022		1/26/2017	245,000.00	98.83	242,143.30	0.1%	NR	1731
71270QQM1	245,000.00	2.00	245,000.00	2.26	1,276.34	-2,856.70	NR	4.52
Private Bank 1.9 1/23/2020		1/23/2015	245,000.00	101.14	247,785.65	0.1%	NR	998
74267GUU9	245,000.00	1.90	245,000.00	1.47	1,237.06	2,785.65	NR	2.66

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Safra National Bank, NY 0.8 5/1/2017-13		4/30/2013	245,000.00	100.00	245,000.00	0.1%	NR	1
78658AFZ6	245,000.00	0.80	245,000.00	0.80	0.00	0.00	NR	0
Sallie Mae Bank 2.35 3/22/2022		3/22/2017	245,000.00	100.12	245,281.75	0.1%	NR	1787
7954502W6	245,000.00	2.35	245,000.00	2.33	615.18	281.75	NR	4.64
SAUK VALLEY BANK & TRUST 1.45 11/8/2021		11/8/2016	244,387.50	96.91	237,427.06	0.1%	NR	1653
804375DK6	245,000.00	1.50	244,445.53	2.17	1,683.79	-7,018.48	NR	4.36
State Bank and Trust Co. 1.4 10/21/2021		10/21/2016	245,000.00	96.23	235,753.70	0.1%	NR	1635
855821AH7	245,000.00	1.40	245,000.00	2.29	84.58	-9,246.30	NR	4.35
State Bank of India 2.15 9/11/2019		9/11/2014	245,000.00	100.85	247,094.75	0.1%	NR	864
856284Z98	245,000.00	2.15	245,000.00	1.78	721.56	2,094.75	NR	2.31
Third Federal S&L 1.55 6/27/2018		12/30/2013	245,000.00	100.69	246,680.70	0.1%	NR	423
88413QAE8	245,000.00	1.55	245,000.00	0.95	1,290.11	1,680.70	NR	1.15
United Community Bank 2.05 3/1/2022		3/1/2017	245,000.00	98.86	242,197.20	0.1%	NR	1766
90984P5A9	245,000.00	2.05	245,000.00	2.30	825.82	-2,802.80	NR	4.61
VISIONBANK OF IOWA 1.75 11/30/2021		11/30/2016	245,000.00	98.06	240,254.35	0.1%	NR	1675
92834CCB6	245,000.00	1.75	245,000.00	2.20	1,773.73	-4,745.65	NR	4.39
Washington Trust Westerly 1.7 2/19/2019		2/19/2014	248,000.00	100.44	249,088.72	0.1%	NR	660
940637FT3	248,000.00	1.70	248,000.00	1.45	808.55	1,088.72	NR	1.78
Webster Bank 1.9 11/4/2019		11/3/2014	245,000.00	101.03	247,516.15	0.1%	NR	918
94768NJY1	245,000.00	1.90	245,000.00	1.48	2,270.11	2,516.15	NR	2.44
Western State Bank 1.65 2/19/2021		2/19/2016	245,000.00	100.65	246,597.40	0.1%	NR	1391
95960NJJ7	245,000.00	1.65	245,000.00	1.47	775.27	1,597.40	NR	3.69
ZB, NA 1.9 12/28/2021		12/28/2016	245,000.00	98.55	241,449.95	0.1%	NR	1703
98878BFQ6	245,000.00	1.90	245,000.00	2.23	1,568.67	-3,550.05	NR	4.45
			18,889,387.50		18,845,487.61	7.68999999999999%		985
Sub Total CD - Negotiable >> 30%	**18,890,000.00**	**1.64**	**18,889,445.53**	**1.56**	**110,115.66**	**-43,957.92**		**2.66**

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Commercial Paper >> 40%								
BANK TOKYO 0 5/17/2017		10/28/2016	1,996,711.67	99.95	1,999,005.60	0.78%	S&P-A1	17
06538BSH7	2,000,000.00	1.21	1,998,876.11	1.06	0.00	129.49	Moodys-P1	0.05
BPCE 0 10/2/2017		3/14/2017	1,984,266.89	99.42	1,988,303.60	0.77%	S&P-A	155
05571BX24	2,000,000.00	1.43	1,987,944.45	1.39	0.00	359.15	Moodys-A2	0.42
Chesham Finance LLC 0 9/15/2017		2/3/2017	1,983,324.44	99.50	1,989,943.40	0.77%	S&P-A1	138
16536HWF4	2,000,000.00	1.37	1,989,726.66	1.35	0.00	216.74	Moodys-P1	0.38
Halkin Finance LLC 0 11/1/2017		4/6/2017	1,983,650.56	99.30	1,986,061.40	0.77%	S&P-A1	185
40588LY11	2,000,000.00	1.42	1,985,713.89	1.40	0.00	347.51	Moodys-P1	0.51
HALKIN FINANCE LLC 0 8/11/2017		1/25/2017	1,985,370.00	99.66	1,993,291.60	0.77%	S&P-A1	103
40588LVB2	2,000,000.00	1.36	1,992,389.44	1.18	0.00	902.16	Moodys-P1	0.28
Natixis NY Branch 0 12/15/2017		4/19/2017	1,981,133.33	99.06	1,981,122.20	0.77%	S&P-A1	229
63873JZF0	2,000,000.00	1.45	1,981,998.05	1.52	0.00	-875.85	Moodys-P1	0.63
STANDARD CHARTERED BANK 0 7/5/2017		1/5/2017	1,985,821.67	99.80	1,996,028.20	0.78%	S&P-A	66
85324TU53	2,000,000.00	1.44	1,994,830.00	1.09	0.00	1,198.20	Moodys-P1	0.18
Toyota Motor Credit Corp 0 6/6/2017		11/16/2016	1,988,100.00	99.91	1,998,104.80	0.78%	S&P-AA-	39
89233GT66	2,000,000.00	1.07	1,997,725.00	0.89	0.00	379.80	Moodys-Aa3	0.11
			15,878,610.56		**15,931,860.80**	**6.19%**		**116**
Sub Total Commercial Paper >> 40%	**16,000,000.00**	**1.34**	**15,929,203.60**	**1.23**	**0.00**	**2,657.20**		**0.32**
Corporate Notes >> 30% Limit								
AMERICAN HONDA FINANCE 1.7 9/9/2021		9/14/2016	1,990,500.00	97.50	1,950,040.00	0.77%	Moodys-A1	1593
02665WBG5	2,000,000.00	1.80	1,991,689.46	2.31	4,816.67	-41,649.46	S&P-A+	4.21
Apple Inc 1 5/3/2018		1/21/2014	971,600.00	99.75	997,520.00	0.39%	Moodys-Aa1	368
037833AJ9	1,000,000.00	1.69	993,313.37	1.25	4,916.67	4,206.63	S&P-AA+	1
Apple Inc 2.1 5/6/2019		5/6/2014	1,003,170.00	101.05	1,010,480.00	0.39%	Moodys-Aa1	736
037833AQ3	1,000,000.00	2.03	1,001,277.72	1.57	10,150.00	9,202.28	S&P-AA+	1.97

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Bank of New York 1.969 6/20/2017		1/9/2013	2,067,280.00	100.09	2,001,740.00	0.78%	Moodys-A1	51
064058AA8	2,000,000.00	1.19	2,002,114.16	1.33	14,220.56	-374.16	S&P-A+	0.14
Berkshire Hathaway 1.55 2/9/2018		4/18/2013	1,020,500.00	100.19	1,001,860.00	0.39%	Moodys-Aa2	285
084670BH0	1,000,000.00	1.11	1,003,323.38	1.31	3,487.50	-1,463.38	S&P-AA	0.77
Berkshire Hathaway 2 8/15/2018		9/13/2013	992,150.65	100.72	1,007,150.00	0.39%	Moodys-Aa2	472
084664BY6	1,000,000.00	2.17	997,938.29	1.44	4,106.67	9,211.71	S&P-AA	1.28
BOFA 1.75 6/5/2018		12/18/2015	1,998,500.00	100.13	2,002,500.00	0.78%	Moodys-A1	401
06050TMC3	2,000,000.00	1.78	1,999,331.67	1.63	14,097.22	3,168.33	S&P-A	1.09
CHEVRON CORP 2.1 5/16/2021		5/17/2016	2,011,860.00	99.72	1,994,340.00	0.78%	Moodys-Aa2	1477
166764BG4	2,000,000.00	1.97	2,009,679.41	2.17	19,133.33	-15,339.41	S&P-AA-	3.89
Cisco Systems Inc 2.2 2/28/2021		2/29/2016	1,013,040.00	100.53	1,005,290.00	0.39%	Moodys-A1	1400
17275RBD3	1,000,000.00	1.92	1,009,997.81	2.06	3,788.89	-4,707.81	NR	3.68
Exxon Mobil 1.819 3/15/2019-19		4/7/2014	999,010.00	100.52	1,005,150.00	0.39%	Moodys-Aaa	658
30231GAD4	1,000,000.00	1.84	999,624.43	1.54	2,273.75	5,525.57	S&P-AAA	1.85
Exxon Mobil 1.912 3/6/2020		3/9/2015	1,002,430.00	100.55	1,005,490.00	0.39%	Moodys-Aaa	1041
30231GAG7	1,000,000.00	1.86	1,001,386.86	1.71	2,868.00	4,103.14	None	2.78
GE Cap Corp 2.2 1/9/2020-19		1/12/2015	2,008,800.00	101.26	2,025,120.00	0.78%	S&P-AA+	952
36962G7M0	2,000,000.00	2.11	2,004,749.97	1.72	13,566.67	20,370.03	Moodys-A1	2.51
Honda 2.45 9/24/2020		10/23/2015	1,010,700.00	101.22	1,012,190.00	0.39%	Moodys-A1	1243
02665WAZ4	1,000,000.00	2.22	1,007,397.16	2.08	2,450.00	4,792.84	S&P-A+	3.28
HSBC 2.75 8/7/2020		1/12/2016	2,008,540.00	101.41	2,028,120.00	0.78%	Moodys-A2	1195
40428HPV8	2,000,000.00	2.65	2,006,114.62	2.30	12,680.56	22,005.38	S&P-A	3.13
IBM CORP 2.9 11/1/2021-11		11/1/2016	1,048,700.00	102.94	1,029,380.00	0.41%	Moodys-Aa3	1646
459200HA2	1,000,000.00	1.88	1,043,899.34	2.21	14,419.44	-14,519.34	S&P-AA-	4.2
Johnson and Johnson 2.25 3/3/2022-22		3/6/2017	1,999,140.00	100.86	2,017,140.00	0.78%	Fitch-AAA	1740
478160CD4	2,000,000.00	2.26	1,999,165.95	2.06	7,125.00	17,974.05	S&P-AAA	4.6

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JP Morgan Chase 6 10/1/2017		3/24/2015	2,218,280.00	101.84	2,036,820.00	0.78%	Moodys-A2	154
48121CYK6	2,000,000.00	1.57	2,036,458.92	1.57	9,666.67	361.08	S&P-A	0.42
Microsoft Corp 0.875 11/15/2017-13		11/8/2012	1,999,600.00	99.90	1,998,020.00	0.78%	Moodys-Aaa	199
594918AP9	2,000,000.00	0.88	1,999,945.72	1.06	8,020.83	-1,925.72	S&P-AAA	0.54
Microsoft Corp 2.4 2/6/2022-17		2/6/2017	1,998,128.00	101.33	2,026,500.00	0.78%	S&P-AAA	1
594918BW3	2,000,000.00	2.42	1,998,211.18	2.11	11,200.00	28,288.82	Moodys-Aaa	4.51
PNC BANK NA 2.3 6/1/2020-20		5/24/2016	1,013,210.00	100.56	1,005,560.00	0.39%	S&P-A	1098
69353REP9	1,000,000.00	1.96	1,010,145.64	2.11	9,519.44	-4,585.64	Moodys-A2	2.97
Toyota 2.125 7/18/2019		7/17/2015	1,002,867.83	100.72	1,007,210.00	0.39%	Moodys-Aa3	809
89236TBP9	1,000,000.00	2.05	1,001,586.92	1.79	6,020.83	5,623.08	S&P-AA-	2.16
Toyota 2.125 7/18/2019		3/9/2015	1,014,500.00	100.72	1,007,210.00	0.39%	Moodys-Aa3	809
89236TBP9	1,000,000.00	1.78	1,007,368.40	1.79	6,020.83	-158.40	S&P-AA-	2.16
Union Bank 2.125 6/16/2017		1/14/2013	2,065,300.00	100.08	2,001,680.00	0.78%	Moodys-A2	47
90520EAE1	2,000,000.00	1.35	2,001,930.67	1.45	15,819.44	-270.67	S&P-A+	0.13
WELLS FARGO & COMPANY 2.1 7/26/2021		8/5/2016	1,004,710.00	98.60	985,980.00	0.39%	Moodys-A2	1548
949746SA0	1,000,000.00	2.00	1,004,014.91	2.45	5,483.33	-18,034.91	S&P-A	4.05
Wells Fargo 2.15 1/30/2020		2/9/2015	1,005,640.00	100.32	1,003,170.00	0.39%	Moodys-A2	1005
94974BGF1	1,000,000.00	2.03	1,003,121.26	2.03	5,375.00	48.74	S&P-A+	2.87
			35,469,154.48		36,165,640.00	14.06%		799
Sub Total Corporate Notes >> 30% Limit	**36,000,000.00**	**1.85**	**35,133,787.22**	**1.80**	**211,287.30**	**31,852.78**		**2.37**
Liquid Assets >> 0%								
Bank of America Cash		6/30/2013	512,950.37	100.00	512,950.37	0.2%	NR	1
BOFA	512,950.37	0.00	512,950.37	0.00		0.00	NR	0
Bank of the West - Credit Card Other Cash		10/10/2013	7,557.35	100.00	7,557.35	0%	NR	1
BOWCCO	7,557.35	0.00	7,557.35	0.00		0.00	NR	0

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Bank of the West - Demand Account Cash		9/4/2013	4,730,044.44	100.00	4,730,044.44	1.84%	NR	1
BOWDEMAND	4,730,044.44	0.05	4,730,044.44	0.05		0.00	NR	0
Bank of the West - District Cash		6/30/2013	3,737.62	100.00	3,737.62	0%	NR	1
BOWDIST	3,737.62	0.00	3,737.62	0.00		0.00	NR	0
Bank of the West - Tax Credit Card Cash		10/10/2013	43,346.02	100.00	43,346.02	0.02%	NR	1
TCCC	43,346.02	0.00	43,346.02	0.00		0.00	NR	0
Bank of the West MM		9/16/2013	91,584.58	100.00	91,584.53	0.04%	NR	1
MM7323	91,584.58	0.25	91,584.56	0.25		0.00	NR	0
BOW MM		4/28/2017	5,939,815.54	100.00	5,939,815.54	2.31%	NR	1
DREYFUSMM	5,939,815.54	0.65	5,939,815.54	0.65		0.00	NR	0
CAMP LGIP		6/30/2013	86,177,032.75	100.00	86,177,032.75	33.5%	NR	1
CAMP	86,177,032.75	0.96	86,177,032.75	0.96		0.00	NR	0
Checks Cash		6/30/2013	333,848.02	100.00	333,848.02	0.13%	NR	1
CHECKS	333,848.02	0.00	333,848.02	0.00		0.00	NR	0
LAIF California LGIP		6/30/2013	4,195,428.81	100.00	4,195,428.81	1.63%	NR	1
LAIF	4,195,428.81	0.90	4,195,428.81	0.90		0.00	NR	0
Treasury Cash Cash		6/30/2013	83,254.56	100.00	83,254.56	0.03%	NR	1
CASH	83,254.56	0.00	83,254.56	0.00		0.00	NR	0
Tri Counties Bank - Courts Cash		6/30/2013	4,827.82	100.00	4,827.82	0%	NR	1
TRICOURTS	4,827.82	0.00	4,827.82	0.00		0.00	NR	0
Tri Counties Bank - Distict Cash		6/30/2013	3,858.82	100.00	3,858.82	0%	NR	1
TRIDISTRICT	3,858.82	0.00	3,858.82	0.00		0.00	NR	0
			102,128,286.70		102,128,286.70	39.7%		1
Sub Total Liquid Assets >> 0%	102,128,286.70	0.89	102,128,286.70	0.89		0.00		0
Municipal Bonds >> 0% Limit								

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
ANAHEIM CA HSG & PUBLIC IMPT 1.765 10/1/2021-1		10/31/2016	995,080.00	97.15	971,540.00	0.39%	S&P-AA-	1615
032556CB6	1,000,000.00	1.87	995,575.84	2.45	1,421.81	-24,035.84	Fitch-AA-	4.25
Bay Area Utility 1.914 10/1/2019-13		2/2/2015	1,009,540.00	100.42	1,004,160.00	0.39%	Moodys-Aa3	884
072031AF4	1,000,000.00	1.70	1,004,954.97	1.74	1,541.83	-794.97	S&P-AA-	2.37
CA ST HSG FIN AGY REVENUE 2.339 2/1/2021		6/30/2016	399,100.10	99.59	393,384.70	0.15%	S&P-AA-	1373
13034PYJ0	395,000.00	2.10	398,356.85	2.46	2,284.10	-4,992.15	Moodys-A2	3.59
CA State Gen Obligation 1.8 4/1/2020		5/12/2015	995,340.00	99.41	994,070.00	0.39%	S&P-A+	1067
13063CSQ4	1,000,000.00	1.90	997,216.00	2.01	1,450.00	-3,146.00	Moodys-Aa3	2.85
CA STATE HIGH-SPEED PASSENGER TRAIN 2.367 4/1/2022		4/27/2017	1,024,287.25	100.31	1,018,156.65	0.4%	S&P-AA-	1797
13063DAD0	1,015,000.00	2.17	1,024,271.77	2.30	200.21	-6,115.12	Fitch-AA-	4.67
California Housing Finance Agency 2.379 8/1/2020		3/9/2016	1,011,540.00	100.26	1,002,600.00	0.39%	Moodys-A1	1189
13034PUF2	1,000,000.00	2.10	1,008,617.66	2.30	5,881.42	-6,017.66	S&P-AA+	3.13
Chippewa Valley Schools 2.35 5/1/2020		6/18/2015	1,008,000.00	101.26	1,012,610.00	0.39%	Moodys-Aa3	1097
170016YX1	1,000,000.00	2.18	1,004,927.57	1.92	11,584.72	7,682.43	S&P-AA-	2.88
Florida Hurricane Catastrophe 2.107 7/1/2018		3/12/2014	1,003,880.00	100.80	1,007,960.00	0.39%	Moodys-Aa3	427
34074GDG6	1,000,000.00	2.01	1,001,053.92	1.42	6,964.81	6,906.08	S&P-AA-	1.15
Florida Hurricane Catastrophe 2.107 7/1/2018		10/1/2014	1,015,200.00	100.80	1,007,960.00	0.39%	Moodys-Aa3	427
34074GDG6	1,000,000.00	1.69	1,004,740.98	1.42	6,964.81	3,219.02	S&P-AA-	1.15
Fresno County 2.488 8/15/2019-15		10/23/2015	2,035,500.00	101.30	2,025,920.00	0.79%	S&P-AA-	837
358266CQ5	2,000,000.00	2.00	2,021,406.03	1.81	10,366.67	4,513.97	None	2.23
Indiana Bond Bank 2.35 7/15/2020		9/15/2015	1,009,120.00	101.17	1,011,570.00	0.39%	S&P-AA+	1172
45462TEF5	1,000,000.00	2.15	1,006,055.89	1.97	6,854.17	5,614.11	NR	3.09
Iowa Revenue Bond 3.28 8/1/2018		10/1/2013	281,814.25	102.34	271,198.35	0.1%	Moodys-Aaa	458
46246KH70	265,000.00	1.90	269,363.13	1.39	2,148.86	1,835.22	S&P-AA+	1.23

Nevada County

Portfolio Holdings by Asset Class

All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Lake Central School Corp 2.38 7/5/2018		1/7/2014	579,262.50	100.92	575,244.00	0.22%	NR	431
507639EY9	570,000.00	2.00	572,434.23	1.59	4,333.58	2,809.77	S&P-AA+	1.16
Massachusetts State 1.65 11/1/2019		11/5/2014	1,001,180.00	99.86	998,620.00	0.39%	S&P-AA+	915
57582RAP1	1,000,000.00	1.83	1,000,692.59	1.91	9,198.61	-1,972.59	Fitch-AA+	2.43
MICHIGAN STATE STRATEGIC FUND 2.131 10/15/2021-16		10/27/2016	2,020,840.00	96.80	1,976,020.00	0.78%	Moodys-Aa2	1629
594698PG1	2,000,000.00	1.91	2,018,714.64	2.42	1,775.83	-42,694.64	NR	4.27
MISSISSIPPI DEVELOP BANK 1.912 8/1/2021		8/10/2016	761,145.00	98.53	738,960.00	0.3%	S&P-AA-	1554
60534WBK3	750,000.00	1.60	759,531.83	2.28	3,545.17	-20,571.83	Fitch-AA-	4.08
New Albany School Bond 1.31 7/15/2017		5/7/2013	504,667.50	100.03	500,170.00	0.19%	NR	76
641667NN6	500,000.00	1.08	500,232.84	1.14	1,910.42	-62.84	S&P-AA+	0.21
New Albany School Bond 1.49 1/15/2018		5/7/2013	606,187.50	99.97	599,832.00	0.23%	NR	260
641667NP1	600,000.00	1.26	600,938.59	1.53	2,607.50	-1,106.59	S&P-AA+	0.7
NY State Dorm Auth 1.97 3/15/2020		3/26/2015	1,007,950.00	100.30	1,002,960.00	0.39%	Moodys-Aa1	1050
64990EEK9	1,000,000.00	1.80	1,004,596.64	1.86	2,462.50	-1,636.64	S&P-AAA	2.8
San Diego County CA Pension 5.728 8/15/2017		1/21/2014	1,143,290.00	101.23	1,012,300.00	0.39%	Moodys-Aa3	107
797398EG5	1,000,000.00	1.58	1,011,775.75	1.48	11,933.33	524.25	S&P-AA+	0.29
San Diego County CA Pension 5.728 8/15/2017		5/28/2014	1,138,910.00	101.23	1,012,300.00	0.39%	Moodys-Aa3	107
797398EG5	1,000,000.00	1.30	1,012,649.68	1.48	11,933.33	-349.68	S&P-AA+	0.29
Santa Cruz County 2.58 6/1/2019		8/25/2015	478,904.50	101.57	482,476.50	0.19%	Moodys-A2	762
80181PAZ0	475,000.00	2.35	477,162.23	1.81	5,072.21	5,314.27	S&P-AA	2.02
Santa Cruz County 2.88 6/1/2020		8/25/2015	495,002.90	102.74	503,406.40	0.19%	Moodys-A2	1128
80181PBA4	490,000.00	2.65	493,239.54	1.96	5,840.80	10,166.86	S&P-AA	2.94
Solano County 2.909 8/1/2020		9/24/2015	1,045,580.00	103.42	1,034,160.00	0.4%	Moodys-Aa3	1189
83412PDY5	1,000,000.00	1.92	1,030,573.33	1.82	7,191.69	3,586.67	S&P-AA-	3.11

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Sonoma County 4.279 12/1/2018		6/16/2014	545,125.00	104.16	520,790.00	0.2%	NR	580
835574CC6	500,000.00	2.15	516,066.61	1.61	8,855.15	4,723.39	S&P-AA	1.53
STATE OF MINNESOTA 1.4 8/1/2021		8/11/2016	1,006,720.00	98.06	980,600.00	0.38%	Moodys-Aa1	1554
60412AFM0	1,000,000.00	1.26	1,005,750.48	1.88	3,461.11	-25,150.48	Fitch-AAA	4.13
STATE OF NEW MEXICO SEVERANCE TAX 2.05 7/1/2020		12/6/2016	504,125.00	99.90	499,475.00	0.2%	Moodys-Aa2	1158
6473102C4	500,000.00	1.81	503,665.96	2.08	4,100.00	-4,190.96	S&P-AA-	3.05
STATE OF NEW MEXICO SEVERANCE TAX 2.35 7/1/2021		12/6/2016	505,200.00	100.23	501,155.00	0.2%	Moodys-Aa2	1523
6473102D2	500,000.00	2.11	504,747.96	2.29	4,700.00	-3,592.96	S&P-AA-	3.95
University of Calif 1.796 7/1/2019		2/9/2015	1,034,963.40	100.52	1,025,283.60	0.4%	Moodys-Aa2	792
91412GSB2	1,020,000.00	1.45	1,027,393.02	1.55	6,055.51	-2,109.42	S&P-AA	2.13
Victor Valley Community College 1.896 8/1/2021		1/11/2017	246,720.00	99.19	247,962.50	0.1%	Moodys-Aa2	1554
92603PER9	250,000.00	2.20	246,934.86	2.10	1,171.83	1,027.64	S&P-AA-	4.09
YUBA COMMUNITY COLLEGE DIST 2 8/1/2019		6/9/2016	970,609.50	100.95	953,977.50	0.37%	Moodys-Aa2	823
988176HW6	945,000.00	1.12	963,359.42	1.57	4,572.50	-9,381.92	Fitch-AAA	2.2
			27,385,014.40		**26,886,902.20**	**10.48%**		**984**
Sub Total Municipal Bonds >> 0% Limit	**26,775,000.00**	**1.82**	**26,986,900.81**	**1.88**	**159,584.48**	**-99,998.61**		**2.6**
US Agency Bonds >> 0% Limit								
FFCB 1.53 1/28/2021		1/28/2016	2,000,000.00	98.69	1,973,760.00	0.78%	S&P-AAA	1369
3133EFXB8	2,000,000.00	1.53	2,000,000.00	1.89	7,820.00	-26,240.00	Moodys-Aaa	3.64
FFCB 2.03 2/3/2022		2/3/2017	2,000,000.00	100.42	2,008,460.00	0.78%	Moodys-Aaa	1740
3133EG6E0	2,000,000.00	2.03	2,000,000.00	1.94	9,811.67	8,460.00	S&P-AA+	4.54
FHLB 1.125 7/14/2021		8/8/2016	1,989,960.00	97.40	1,947,960.00	0.77%	Moodys-Aaa	1536
3130A8QS5	2,000,000.00	1.23	1,991,437.29	1.77	6,625.00	-43,477.29	S&P-AA+	4.1
FHLB 1.375 9/13/2019		1/23/2015	1,995,960.00	99.80	1,995,920.00	0.78%	S&P-AA+	866
313380FB8	2,000,000.00	1.42	1,997,934.69	1.46	3,590.28	-2,014.69	Moodys-Aaa	2.34

Nevada County

Portfolio Holdings by Asset Class

All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
FHLB 1.75 6/12/2020		6/12/2015	1,990,480.00	100.50	2,010,000.00	0.78%	Moodys-Aaa	1139
313383HU8	2,000,000.00	1.85	1,994,064.98	1.59	13,416.67	15,935.02	S&P-AA+	3.03
FHLB 1.63 7/28/2020		9/21/2015	2,010,180.00	100.72	2,014,460.00	0.78%	Moodys-Aaa	1185
3130A5Z77	2,000,000.00	1.72	2,006,809.63	1.60	9,251.67	7,650.37	S&P-AA+	3.15
FHLB 1.875 6/11/2021		6/13/2016	2,034,000.00	100.36	2,007,240.00	0.78%	Moodys-Aaa	1503
313379RB7	2,000,000.00	1.52	2,028,016.45	1.78	14,479.17	-20,776.45	S&P-AA+	3.95
FHLB 2.25 3/11/2022		3/13/2017	2,005,640.00	101.39	2,027,760.00	0.78%	Moodys-Aaa	1776
313378CR0	2,000,000.00	2.19	2,005,491.58	1.95	6,125.00	22,268.42	S&P-AA+	4.62
FHLB 2.375 9/10/2021		9/13/2016	2,096,660.00	102.35	2,047,060.00	0.81%	Moodys-Aaa	1594
313376JP7	2,000,000.00	1.37	2,084,517.85	1.81	6,597.22	-37,457.85	S&P-AA+	4.16
FHLB 2.875 9/11/2020		11/9/2015	2,111,565.00	104.01	2,080,140.00	0.81%	Moodys-Aaa	1230
313370US5	2,000,000.00	1.67	2,077,609.66	1.65	7,828.39	2,530.34	S&P-AA+	3.22
FHLMC 0.75 1/12/2018		1/8/2014	1,954,060.00	99.77	1,995,400.00	0.77%	Moodys-Aaa	257
3137EADN6	2,000,000.00	1.34	1,991,940.90	1.08	4,500.00	3,459.10	S&P-A1+	0.7
FHLMC 1 7/28/2017		9/6/2013	1,968,276.00	100.03	2,000,540.00	0.78%	Moodys-Aaa	89
3137EADJ5	2,000,000.00	1.42	1,998,013.19	0.89	5,111.11	2,526.81	S&P-AA+	0.24
FHLMC 1 9/29/2017		6/6/2013	2,002,600.00	100.00	2,000,000.00	0.78%	Moodys-Aaa	152
3137EADL0	2,000,000.00	0.97	2,000,250.76	1.00	1,722.22	-250.76	S&P-AA+	0.41
FHLMC 1.25 10/2/2019		2/9/2015	1,974,600.00	99.46	1,989,160.00	0.77%	Moodys-Aaa	885
3137EADM8	2,000,000.00	1.53	1,986,745.87	1.48	1,944.44	2,414.13	S&P-AA+	2.39
FHLMC 1.25 8/1/2019		9/3/2014	1,950,354.00	99.67	1,993,320.00	0.77%	Moodys-Aaa	823
3137EADK2	2,000,000.00	1.78	1,977,212.13	1.40	6,180.56	16,107.87	S&P-AA+	2.22
FHLMC 1.375 5/1/2020		5/1/2015	1,983,700.00	99.54	1,990,760.00	0.77%	Moodys-Aaa	1097
3137EADR7	2,000,000.00	1.65	1,990,212.86	1.53	13,673.61	547.14	S&P-AA+	2.93
FHLMC 1.5 5/26/2021-17		5/26/2016	1,000,000.00	97.83	978,300.00	0.39%	Moodys-Aaa	26
3134G9JM0	1,000,000.00	1.50	1,000,000.00	2.06	6,416.67	-21,700.00	S&P-AA+	3.94

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description	Face Amount / Shares	Settlement Date	Cost Value	Market Price	Market Value	% Portfolio	Credit Rating	Days To Call/Maturity
CUSIP		YTM @ Cost	Book Value	YTM @ Market	Accrued Interest	Unre. Gain/Loss	Credit Rating	Duration To Maturity
FHLMC 1.7 3/30/2021-17		3/30/2016	2,000,000.00	99.27	1,985,820.00	0.78%	Moodys-Aaa	1430
3134G8SR1	2,000,000.00	1.70	2,000,000.00	1.90	2,833.33	-14,180.00	Fitch-AAA	3.8
FHLMC 2.375 1/13/2022		1/13/2017	2,022,840.00	102.00	2,040,000.00	0.79%	S&P-AA+	1719
3137EADB2	2,000,000.00	2.14	2,021,313.34	1.93	14,118.06	18,686.66	Moodys-Aaa	4.45
FNMA 0.875 10/26/2017		11/2/2012	2,003,880.00	99.95	1,998,960.00	0.78%	Moodys-Aaa	179
3135G0PQ0	2,000,000.00	0.84	2,000,381.81	0.98	194.44	-1,421.81	S&P-AA	0.49
FNMA 0.875 5/21/2018		1/23/2014	976,050.00	99.69	996,870.00	0.39%	Moodys-Aaa	386
3135G0WJ8	1,000,000.00	1.45	994,126.62	1.17	3,864.58	2,743.38	S&P-AA+	1.05
FNMA 0.875 5/21/2018		5/26/2014	981,365.26	99.69	996,870.00	0.39%	Moodys-Aaa	386
3135G0WJ8	1,000,000.00	1.40	994,603.89	1.17	3,864.58	2,266.11	S&P-AA+	1.05
FNMA 1 3/27/2018-15		3/27/2013	1,000,000.00	99.89	998,930.00	0.39%	Moodys-Aaa	331
3136G1GP8	1,000,000.00	1.00	1,000,000.00	1.12	916.67	-1,070.00	S&P-AA+	0.91
FNMA 1 3/28/2018-14		3/28/2013	1,000,000.00	99.89	998,880.00	0.39%	Moodys-Aaa	332
3136G1GZ6	1,000,000.00	1.00	1,000,000.00	1.12	888.89	-1,120.00	S&P-AA+	0.91
FNMA 1 4/30/2018-15		4/30/2013	1,001,000.00	99.78	997,770.00	0.39%	Moodys-Aaa	92
3135G0WM1	1,000,000.00	0.98	1,000,199.89	1.23	0.00	-2,429.89	S&P-AA+	1
FNMA 1.25 8/17/2021		8/19/2016	1,993,254.00	97.65	1,952,960.00	0.78%	Moodys-Aaa	1570
3135G0N82	2,000,000.00	1.32	1,994,193.41	1.82	5,069.44	-41,233.41	S&P-AA+	4.19
FNMA 1.375 10/7/2021		10/7/2016	1,993,750.00	98.16	1,963,180.00	0.78%	Moodys-Aaa	1621
3135G0Q89	2,000,000.00	1.44	1,994,451.67	1.81	1,756.94	-31,271.67	S&P-AA+	4.31
FNMA 1.375 2/26/2021		3/2/2016	996,400.00	98.73	987,330.00	0.39%	Moodys-Aaa	1398
3135G0J20	1,000,000.00	1.45	997,237.76	1.72	2,444.44	-9,907.76	S&P-AA+	3.73
FNMA 1.75 1/30/2019-14		2/12/2014	2,009,000.00	100.70	2,013,940.00	0.78%	Moodys-Aaa	640
3136FTZZ5	2,000,000.00	1.66	2,003,177.05	1.35	8,750.00	10,762.95	S&P-A1+	1.72
FNMA 1.75 6/20/2019		2/27/2015	2,018,285.06	100.76	2,015,220.00	0.78%	Moodys-Aaa	781
3135G0ZE6	2,000,000.00	1.53	2,009,072.83	1.39	12,638.89	6,147.17	S&P-AA+	2.1

Nevada County
Portfolio Holdings by Asset Class
All Portfolios

Date: 4/30/2017

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
FNMA 1.875 9/18/2018 3135G0YM9	2,000,000.00	1/13/2014 1.77	2,009,540.00 2,002,824.60	100.87 1.24	2,017,460.00 4,375.00	0.76% 14,635.40	Moodys-Aaa S&P-A1+	506 1.37
FNMA 1.875 9/18/2018 3135G0YM9	2,000,000.00	3/27/2014 1.64	2,020,180.00 2,006,241.49	100.87 1.24	2,017,460.00 4,375.00	0.76% 11,218.51	Moodys-Aaa S&P-A1+	506 1.37
Sub Total US Agency Bonds >> 0% Limit	57,000,000.00	1.53	57,093,372.32 57,148,082.20	1.62	57,041,390.00 191,181.94	22.26% -106,692.20		973 2.66
TOTAL PORTFOLIO	256,793,286.70	1.35	257,843,826.96 257,215,706.06	1.33	256,999,567.31 671,169.38	100.00% -216,138.75		511 1.41

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