NEW ISSUE -- FULL BOOK-ENTRY 2016-0181 **Moody's: "Aa3"**
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to certain qualifications described herein, under existing law, the portion of lease payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS".

$15,165,000
2016 CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the
CAMPBELL UNION HIGH SCHOOL DISTRICT
to Public Property Financing Corporation of California
(Capital Projects and Refinancing)

Dated: Date of Delivery **Due: August 1, as shown on inside cover**

Purposes. The captioned refunding certificates of participation (the "Certificates") are being executed and delivered to (a) provide funds to finance capital facility improvement projects to facilities of the Campbell Union High School District (the "District"), (b) refinance an outstanding lease obligation of District executed in 2011, and (c) pay certain costs of executing and delivering the Certificates, which includes the premium to acquire a reserve fund insurance policy to be credited to the Reserve Fund (defined herein). See "FINANCING PLAN" herein.

Security. The Certificates evidence direct, undivided fractional interests of the owners thereof in Lease Payments to be made by the District for the use and occupancy of certain real property and improvements under a Lease Agreement, dated as of March 1, 2016 (the "Lease Agreement"), between the District and Public Property Financing Corporation of California, a California nonprofit public benefit corporation (the "Corporation"). The Lease Payments will be payable from any source of available funds of the District, subject to the provisions of the Lease Agreement described herein regarding abatement and defeasance. The District is required under the Lease Agreement to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. The Certificates will be secured under a Trust Agreement dated as of March 1, 2016, among the District, the Corporation and U.S. Bank National Association, San Francisco, California, as trustee (the "Trustee"). Under an Assignment Agreement dated as of March 1, 2016, between the Corporation and the Trustee, the Lease Payments will be irrevocably assigned to the Trustee for the benefit of the Owners of the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES." See also "RISK FACTORS."

Interest. Interest represented by the Certificates will be payable on February 1 and August 1 of each year, commencing August 1, 2016. See "THE CERTIFICATES."

Book-Entry Only. When executed and delivered, the Certificates will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Certificates. Ownership interests in the Certificates may be purchased in book-entry form only. Beneficial owners of Certificates will not receive physical certificates representing the Certificates purchased, but will receive a credit balance on the books of the nominees of such purchasers who are participants of DTC. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Payments. Principal, premium, if any, and interest due with respect to the Certificates will be paid by the Trustee to DTC, which will in turn remit those payments to its participants for subsequent disbursement to the beneficial owners of the Certificates as described in this Official Statement. See "THE CERTIFICATES – Book-Entry Only System" and "APPENDIX F – Book-Entry Only System."

Prepayment. The Certificates are subject to optional prepayment and mandatory prepayment from net proceeds of insurance or condemnation. See "THE CERTIFICATES – Prepayment."

Limited Obligation. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

MATURITY SCHEDULE
(See inside cover)

This cover page contains information for quick reference only. It is not a summary of all the provisions of the Certificates. Investors must read the entire official statement to obtain information essential in making an informed investment decision. See "RISK FACTORS" for a discussion of factors that should be considered, in addition to the other matters set forth in this Official Statement, in evaluating the investment quality of the Certificates.

The Certificates are offered when, as and if executed and delivered, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel. Certain legal matters will be passed upon for the District by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel and for the Underwriter by Norton Rose Fulbright US LLP, Los Angeles, California, as Underwriter's Counsel. It is anticipated that the Certificates will be available for delivery to DTC in New York, New York, on or about March 24, 2016.

RBC Capital Markets

The date of this Official Statement is: March 10, 2016

MATURITY SCHEDULE

$15,165,000 Principal Amount Serial Certificates

Maturity Date (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP†
2017	$1,130,000	2.000%	0.590%	101.896%	134162 AA4
2018	1,150,000	3.000	0.650	103.159[C]	134162 AB2
2019	1,190,000	4.000	0.670	104.476[C]	134162 AC0
2020	1,235,000	4.000	0.720	104.406[C]	134162 AD8
2021	1,285,000	5.000	0.760	105.694[C]	134162 AE6
2022	1,350,000	5.000	0.820	105.610[C]	134162 AF3
2023	1,415,000	5.000	0.870	105.541[C]	134162 AG1
2024	1,485,000	5.000	0.890	105.513[C]	134162 AH9
2025	1,560,000	5.000	0.910	105.485[C]	134162 AJ5
2026	1,640,000	5.000	0.920	105.471[C]	134162 AK2
2027	1,725,000	5.000	0.940	105.443[C]	134162 AL0

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services (CGS) which is managed on behalf of the American Bankers Association by S&P Capital IQ. CUSIP® data is not intended to create a database and does not serve in any way as a substitute for the CUSIP® Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Underwriter take any responsibility for the accuracy of such numbers.

C: Priced to first par call on August 1, 2017.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SANTA CLARA COUNTY
STATE OF CALIFORNIA

DISTRICT ADMINISTRATIVE STAFF

Tanya Krause, *Acting Superintendent*
Brett W. McFadden, *Assistant Superintendent, Chief Business Officer*
Greg Torr, *Director of Fiscal Services*

FINANCIAL ADVISOR

Isom Advisors, A Division of Urban Futures
Walnut Creek, California

SPECIAL COUNSEL and DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

UNDERWRITER'S COUNSEL

Norton Rose Fulbright US LLP
Los Angeles, California

PAYING AGENT and ESCROW BANK

U.S. Bank National Association
San Francisco, California

VERIFICATION AGENT

Causey Demgen & Moore P.C.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

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

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

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

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

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

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

Document Summaries. All summaries of the Trust Agreement, the Site Lease, the Lease Agreement, the Assignment Agreement, the Escrow Agreements or other documents referred to in this Official Statement are made subject to the provisions of such documents and qualified in their entirety to reference to such documents, and do not purport to be complete statements of any or all of such provisions.

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

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

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

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OFFICIAL STATEMENT

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2016 CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the
CAMPBELL UNION HIGH SCHOOL DISTRICT
to Public Property Financing Corporation of California
(Capital Projects and Refinancing)

INTRODUCTION

This Official Statement (which includes the cover page and Appendices hereto) (collectively, the "**Official Statement**"), provides certain information concerning the sale and delivery of the refunding certificates of participation captioned above (the "**Certificates**"), which evidence the direct, undivided fractional interests of the Owners thereof in lease payments (the "**Lease Payments**") to be made by the Campbell Union High School District (the "**District**") pursuant to a Lease Agreement, dated as of March 1, 2016 (the "**Lease Agreement**"), by and between the District and Public Property Financing Corporation of California (the "**Corporation**").

All capitalized terms used in this Official Statement but not otherwise defined have the meanings set forth in the Trust Agreement (defined below) or the Lease Agreement. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

Use of Proceeds. The net proceeds of the sale of the Certificates will be used for the following purposes:

(i) to finance the construction of improvements to the District's educational facilities, including heating, ventilation and air conditioning improvements,

(ii) to refinance on an advance basis an outstanding Lease Agreement of the District dated as of July 1, 2011 (the **"2011 Lease"**) which was delivered in the original principal amount of $13,000,000 for the purpose of financing solar energy facilities and is subject to optional prepayment on August 1, 2016, and

(iii) to pay certain costs incurred in connection with the execution and delivery of the Certificates, which includes the payment of the premium to obtain a reserve fund insurance policy (the **"Reserve Policy"**) to be issued by Build America Mutual Assurance Company (the **"Reserve Insurer"**).

See "FINANCING PLAN."

Security and Sources of Payment. The Certificates evidence and represent the direct, undivided fractional interests of the registered owners (the "**Owners**") thereof in the Lease Payments to be made by the District for the right to use certain real property and improvements (the Leased Property"), to be leased by the District from the Corporation under the Lease Agreement. See "THE LEASED PROPERTY" herein.

The District and the Corporation will enter into a Site Lease, dated as of March 1, 2016 (the "**Site Lease**"). Under the Site Lease, the District (as owner of the Leased Property) will lease the Leased Property to the Corporation. Concurrently, the District and the Corporation will enter into the Lease Agreement, under which the District will sublease the Leased Property back from the Corporation.

The Certificates will be executed and delivered under a Trust Agreement dated as of March 1, 2016 (the "**Trust Agreement**"), among the District, the Corporation and U.S. Bank National Association San Francisco, California, as trustee (the "**Trustee**").

The Trustee and the Corporation will enter into an Assignment Agreement dated as of March 1, 2016 (the "**Assignment Agreement**"), under which the Corporation will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation's right, title and interest in and to the Lease Agreement, including its right to receive the Lease Payments due under the Lease Agreement, provided that the Corporation will retain the rights to indemnification and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement.

See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

LIMITED OBLIGATION. NEITHER THE CERTIFICATES NOR THE OBLIGATION OF THE DISTRICT TO MAKE LEASE PAYMENTS CONSTITUTES AN INDEBTEDNESS OF THE DISTRICT, THE CORPORATION, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF THE CONSTITUTION OF THE STATE OF CALIFORNIA OR OTHERWISE, OR AN OBLIGATION FOR WHICH THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Covenant to Appropriate; Abatement. The District is required under the Lease Agreement to take such action as may be necessary to include all Lease Payments coming due in each of its annual budgets during the term of the Lease Agreement and to make the necessary annual appropriations for all such Lease Payments. The semiannual Lease Payments payable under the Lease Agreement will comprise the interest and principal represented by the Certificates. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

However, the Lease Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the District's right to use and possession of the Leased Property or any portion thereof. If the Lease Payments are abated under the Lease Agreement, and are not paid from alternative sources as described in this Official Statement, the Certificate Owners would receive less than the full amount of principal and interest represented by the Certificates. To the extent proceeds of rental interruption insurance are available or there are moneys in the Reserve Fund with respect to the Certificates (as described below), Lease Payments (or a portion thereof) may be made from those sources during periods of abatement. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement" and "RISK FACTORS."

Reserve Policy. The District has applied for a Reserve Policy to be credited to the Reserve Fund (described herein). If purchased, the terms will be reflected in the final Official Statement. The District will consider such purchase only after analyzing the related premiums and the benefits to be realized at pricing. See "CERTIFICATE INSURANCE" and "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Reserve Fund."

Legal Matters. The execution and delivery of the Certificates is subject to the approving opinion of Jones Hall, A Professional Law Corporation, San Francisco, California (**"Special Counsel"**), to be delivered in substantially the form attached hereto as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, is also serving as Disclosure Counsel to the District (**"Disclosure Counsel"**). Norton Rose Fulbright US LLP, Los Angeles, California, is serving as counsel to the Underwriter (**"Underwriter's Counsel"**). *Payment of the fees of Special Counsel, Disclosure Counsel and Underwriter's Counsel is contingent upon issuance of the Certificates.*

Tax Matters. In the opinion of Special Counsel, subject, however to certain qualifications described in this Official Statement, under existing law, the portion of Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings. In the further opinion of Special Counsel, such interest is exempt from California personal income taxes. See "TAX MATTERS" and Appendix D hereto.

Continuing Disclosure. The District has covenanted and agreed that it will comply with and carry out all of the provisions of the Continuing Disclosure Certificate, dated the date of the Certificates and executed by the District (the **"Continuing Disclosure Certificate"**). The form of the Continuing Disclosure Certificate is included in Appendix E hereto. See "CONTINUING DISCLOSURE."

Summaries of Documents. The summaries or references to the Site Lease, the Trust Agreement, the Lease Agreement, the Assignment Agreement and other documents, agreements and statutes referred to in this Official Statement, and the description of the Certificates included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entireties by reference to each such document or statute.

FINANCING PLAN

The proceeds of the Certificates will be applied to finance capital facility improvements in the District and refinance the 2011 Lease, as more particularly described below. See also "SOURCES AND USES OF FUNDS" herein.

2016 Projects. Pursuant to the Trust Agreement, the Trustee will establish a project fund (the **"Project Fund"**) into which a portion of the Certificate proceeds will be deposited in order to finance the acquisition and construction of heating, ventilation and air conditioning improvements at various educational facilities of the District (the **"Project"**). Funds deposited in the Project Fund will be withdrawn by the Trustee upon the written request of the District to pay or reimburse Project Costs, as defined in the Trust Agreement. See APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS - TRUST AGREEMENT."

2011 Lease Refinancing. The 2011 Lease is subject to prepayment at the option of the District commencing on August 1, 2016 at a prepayment price of 101.0% of the principal amount to be prepaid.

In order to accomplish the refunding of the 2011 Lease, the District will enter into an Escrow Agreement with U.S. Bank National Association, as escrow agent (the "**Escrow Agent**"), under which a portion of the proceeds of the Certificates will be deposited into an irrevocable escrow fund (the "**Escrow Fund**), upon the delivery of the Certificates. Amounts on deposit in the Escrow Fund will be invested in certain United States Treasury Securities, or held in cash, to be applied to the payment and prepayment of the 2011 Lease in accordance on August 1, 2016.

Sufficiency of the amounts and investments held in the Escrow Fund for the purpose of paying the principal of and interest and prepayment price of the 2011 Lease will be verified by Causey Demgen & Moore P.C., Denver, Colorado (the **"Verification Agent"**). See "ESCROW VERIFICATION" herein.

SOURCES AND USES OF FUNDS

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

Sources of Funds	
Principal Amount of Certificates	$15,165,000.00
Plus Original Issue Premium	743,790.05
District Contribution to Escrow Fund	652,393.56
Total Sources	$16,561,183.61
Uses of Funds	
Project Fund	$8,000,000.00
Escrow Fund (2011 Lease Prepayment)	7,899,465.03
Lease Payment Fund[(1)]	343,669.44
Delivery Costs[(2)]	318,049.14
Total Uses	$16,561,183.61

(1) To be applied to pay capitalized interest through February 1, 2017.
(2) All estimated costs of issuance including, but not limited to, Underwriter's discount, printing costs, and fees of Special Counsel, Disclosure Counsel, Financial Advisor, Trustee, Escrow Agent, Verification Agent, Reserve Policy premium, the rating agency and certain other costs.

THE LEASED PROPERTY

Description and Location

Lease Payments will be made by the District under the Lease for the use and possession of the land and buildings comprising the District's administration building and operations facility (the **"Leased Property"**), located at 2225 Camden Avenue, San José, California and 3235 Union Avenue, San José, California. The Leased Property consists of 3 buildings located on approximately twelve acres. The insured replacement value of the buildings is approximately $25 million on a combined basis.

Fair Rental Value

The Lease Agreement provides that the Lease Payments payable in a Fiscal Year will constitute the total rental for the Leased Property for that Fiscal Year, and will be paid by the District in each Fiscal Year for and in consideration of the right of the use and occupancy of, and the continued quiet use and enjoyment of the Leased Property during each Fiscal Year.

The Corporation and the District have agreed and determined in the Lease Agreement that the total Lease Payments and Additional Payments represent the fair rental value of the Leased Property. In making such determination, consideration has been given to the estimated fair market value of the Leased Property, other obligations of the parties under the Lease, the uses and purposes which may be served by the Leased Property and the benefits therefrom which will accrue to the District and the general public.

Substitution

The Lease Agreement provides that, upon compliance with certain conditions specified therein, the District may substitute alternate real property for all or any portion of the Leased Property or to release a portion of the Leased Property from the Lease Agreement. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement."

THE CORPORATION

Public Property Financing Corporation of California is a nonprofit public benefit corporation organized under the Nonprofit Public Benefit Corporation Law of the State of California. The Corporation was formed for the specific and primary purpose of rendering assistance to California school districts and other public agencies by, among other methods, acquiring, leasing, construction or financing various public facilities, land, equipment and other improvements and property for the use, benefit and enjoyment of the public. The board of trustees of the Corporation approved participation in the execution and delivery of the Certificates at a special meeting held on January 26, 2016.

THE CERTIFICATES

Certificate Terms

General. The Certificates evidence and represent direct, fractional undivided interests of the Owners thereof in the principal and interest components of Lease Payments to be made by the District pursuant to the Lease Agreement.

The Certificates are dated the date of original delivery thereof and will be executed and delivered, without coupons, in denominations of $5,000 or any integral multiple thereof, except that no Certificate shall represent principal payable in more than one year. The interest components evidenced by the Certificates will be due and payable semiannually on February 1 and August 1 of each year (each, a "**Payment Date**"), commencing August 1, 2016.

Each Certificate shall be dated as of the date of its execution, and interest represented thereby shall be payable from the Payment Date next preceding the date of execution thereof, (a) unless it is executed following the close of business on the fifteenth day of the month preceding each Payment Date, whether or not such fifteenth day is a Business Day (each, a "**Record Date**") and on or before the next succeeding Payment Date, in which event interest represented thereby shall be payable from such Payment Date, or (b) unless it is executed on or before the first Record Date, in which event interest represented thereby shall be payable from the day when the Certificates, duly executed by the Trustee, are delivered to the Underwriter; *provided, however*, that if, as of the date of any Certificate, interest represented by such Certificate is in default, interest represented thereby shall be payable from the Payment Date to which interest has previously been paid or made available for payment with respect to such Certificate. Interest shall be computed on the basis of a 360-day year comprised of twelve 30-day months.

The Lease Payments evidenced by the Certificates will be payable no later than the fifteenth day preceding each Payment Date (in the event that any payment due under the Lease Agreement is due on a day which is not a Business Day, such payment shall be made on the next Business Day), the principal components of which will evidence interest components calculated at the rates per annum, all as set forth on the front inside cover page of this Official Statement.

Prepayment

The Certificates are subject to prepayment as described below. Capitalized terms used below and not defined have the meanings assigned to such terms in the Trust Agreement. See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

Optional Prepayment. The Certificates maturing on or before August 1, 2017, are not subject to optional prepayment before their respective stated maturities. The Certificates maturing on or after August 1, 2018, are subject to prepayment prior to their respective stated maturities, at the option of the District, in whole, or in part among maturities on such basis as designated by the District and by lot within any one maturity on August 1, 2017, or on any date thereafter, upon payment of a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest to the date fixed for prepayment, without premium.

Mandatory Prepayment from Net Proceeds. The Certificates are subject to mandatory prepayment, in whole or in part, on any Business Day (as defined in the Trust

Agreement), among maturities on a pro rata basis and by lot within a maturity, from the Net Proceeds (as defined in the Trust Agreement) of insurance or eminent domain proceedings credited towards the prepayment of the Lease Payments under the Lease Agreement and Trust Agreement, at a prepayment price equal to 100% of the principal amount to be prepaid, together with accrued interest represented thereby to the date fixed for prepayment, without premium. See "APPENDIX A - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."

Purchase In Lieu of Prepayment. In lieu of prepayment of Certificates as provided in the Trust Agreement and described above, amounts held by the Trustee for such prepayment may, at the written request of the District, be applied by the Trustee to the purchase of Certificates at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the District may in its discretion direct, but not to exceed the prepayment price which would be payable if such Certificates were prepaid.

Notice of Prepayment. The Trustee shall give notice of the prepayment of the Certificates on behalf and at the expense of the District by first class mail with postage prepaid, to the Securities Depositories and to the Owners of Certificates designated for prepayment at their respective addresses appearing on the Registration Books, at least 30 days but not more than 60 days prior to the prepayment date. Such notice must:

(a) state the prepayment date and prepayment price;

(b) state the numbers or maturities of the Certificates to be prepaid, if less than all of the then Outstanding Certificates are to be called for prepayment;

(c) if a Certificate is to be prepaid only in part, identify the portion of the Certificate which is to be prepaid;

(d) require that such Certificates be surrendered on the prepayment date at the Office of the Trustee for prepayment at said prepayment price;

(e) state that interest represented by the Certificates will not accrue after the prepayment date; and

(f) state that on the prepayment date the principal and premium, if any, represented by each Certificate will become due and payable, together with accrued interest represented thereby to the prepayment date, and that from and after such date interest represented thereby ceases to accrue and be payable.

The District may rescind any prepayment of the Certificates, and notice thereof, for any reason on any date prior to the date fixed for such prepayment by causing written notice of the rescission to be given to the Owners of the Certificates so called for prepayment. Notice of rescission of prepayment shall be given in the same manner in which the notice of prepayment was originally given.

Neither the failure to receive any such notice nor any defect in any notice so mailed shall affect the sufficiency of the proceedings for the prepayment of such Certificates or the cessation of accrual of interest represented thereby from and after the date fixed for prepayment.

While the Certificates are subject to the book-entry system, the Trustee will not be required to give any notice of prepayment to any person or entity other than DTC and to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System and at the District's written direction, other securities depositories and information services. DTC and the DTC Participants shall have sole responsibility for providing any such notice of prepayment to the Beneficial Owners of the Certificates to be prepaid. Any failure at DTC to notify any DTC Participant, or any failure of a DTC Participant to notify the Beneficial Owner of any Certificates to be prepaid, of a notice of prepayment or its content or effect will not affect the validity of the notice of prepayment, or alter the effect of prepayment described below under "Effect of Prepayment."

Selection of Certificates. Whenever provision is made in the Trust Agreement for the prepayment of Certificates and less than all Outstanding Certificates of any maturity are called for prepayment, the Trustee shall select Certificates of such maturity for prepayment by lot. For the purposes of such selection, Certificates shall be deemed to be composed of $5,000 portions, and any such portion may be separately prepaid.

Effect of Prepayment. Moneys for the prepayment (including the interest to the applicable date of prepayment) of Certificates having been set aside in the Lease Payment Fund, the Certificates shall become due and payable on the date of such prepayment, and, upon presentation and surrender thereof at the Office of the Trustee, said Certificates shall be paid at the unpaid principal amount (or applicable portion thereof) represented thereby plus interest accrued and unpaid to said date of prepayment.

If, on said date of prepayment, moneys for the prepayment of all the Certificates to be prepaid, together with interest represented thereby to said date of prepayment, shall be held by the Trustee so as to be available therefor on such date of prepayment, then, from and after said date of prepayment, interest represented by the Certificates shall cease to accrue and become payable. All moneys held by the Trustee for the prepayment of Certificates shall be held in trust for the account of the Owners of the Certificates so to be prepaid, and shall be held by the Trustee in cash uninvested.

Book-Entry Only System

The Certificates will be executed and delivered as fully registered certificates, registered in the name of Cede & Co. as nominee of DTC, and will be available to actual purchasers of the Certificates (the "**Beneficial Owners**") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (as defined in this Official Statement) as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Certificates. See "APPENDIX F – Book-Entry Only System." If the book-entry-only system is no longer used with respect to the Certificates, the Certificates will be registered and transferred in accordance with the Trust Agreement, as described below.

Transfer and Exchange of Certificates

While the Certificates are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC. See "APPENDIX F – Book-Entry Only System." During any period in which the Certificates are not subject to DTC's book-entry system, their exchange and transfer will be governed by provisions of the Trust Agreement summarized in

"APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

LEASE PAYMENT SCHEDULE

Following is the schedule of Interest Payment Dates with respect to the Certificates. Under the Lease Agreement, Lease Payments are due the 15th calendar day of the month immediately preceding each Interest Payment Date.

Date	Principal Component	Interest Component	Total Payments
August 1, 2016	$ --	$238,865.83	$238,865.83
February 1, 2017	--	338,550.00	338,550.00
August 1, 2017	1,130,000.00	338,550.00	1,468,550.00
February 1, 2018	--	327,250.00	327,250.00
August 1, 2018	1,150,000.00	327,250.00	1,477,250.00
April 1, 2019	--	310,000.00	310,000.00
August 1, 2019	1,190,000.00	310,000.00	1,500,000.00
February 1, 2020	--	286,200.00	286,200.00
August 1, 2020	1,235,000.00	286,200.00	1,521,200.00
February 1, 2021	--	261,500.00	261,500.00
August 1, 2021	1,285,000.00	261,500.00	1,546,500.00
February 1, 2022	--	229,375.00	229,375.00
August 1, 2022	1,350,000.00	229,375.00	1,579,375.00
February 1, 2023	--	195,625.00	195,625.00
August 1, 2023	1,415,000.00	195,625.00	1,610,625.00
February 1, 2024	--	160,250.00	160,250.00
August 1, 2024	1,485,000.00	160,250.00	1,645,250.00
February 1, 2025	--	123,125.00	123,125.00
August 1, 2025	1,560,000.00	123,125.00	1,683,125.00
February 1, 2026	--	84,125.00	84,125.00
August 1, 2026	1,640,000.00	84,125.00	1,724,125.00
February 1, 2027	--	43,125.00	43,125.00
August 1, 2027	1,725,000.00	43,125.00	1,768,125.00
Totals	$15,165,000.00	$4,957,115.83	$20,122,115.83

SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES

Nature of the Certificates

General. Each Certificate evidences and represents a direct, undivided fractional interest in the principal component of the Lease Payment due under the Lease Agreement on the payment date or prepayment date of such Certificate, and the interest component of all Lease Payments (based on the stated interest rate with respect to such Certificate) to accrue from the date of delivery to its principal payment date or prepayment date, as the case may be.

Assignment of Rights in Lease to Trustee. The Corporation, under the Assignment Agreement, will assign to the Trustee for the benefit of the Certificate Owners substantially all of the Corporation's right, title and interest in and to the Lease Agreement, including, without limitation, its right to receive Lease Payments to be paid by the District; except that the Corporation will retain certain rights under the Lease Agreement (including the rights to Additional Payments (defined below), repayment of advances, indemnification and payment of attorneys' fees). The District will pay Lease Payments directly to the Trustee, as assignee of the Corporation. See "– Lease Payments" below.

Lease Payments

General. For the right to the use and occupancy of the Leased Property, the Lease Agreement requires the District to make Lease Payments. To secure the payment of the Lease Payments, the District is required to pay to the Trustee, for deposit into the Lease Payment Fund established and maintained by the Trustee, on the fifteenth day before each Payment Date, an amount sufficient to pay the Lease Payment then due.

Pursuant to the Trust Agreement, the Trustee shall withdraw moneys from the Lease Payment Fund on each Interest Payment Date in amounts which equal the Lease Payment due on such Interest Payment Date and shall cause all sums withdrawn from the Lease Payment Fund to be applied to the payment of principal and interest evidenced by the Certificates due on such Interest Payment Date.

Scheduled Lease Payments relating to the Certificates are set forth above under the heading "LEASE PAYMENT SCHEDULE."

Additional Payments. In addition to the Lease Payments, the District shall pay when due, as additional rental for the Leased Property under the Lease Agreement (**"Additional Payments"**), all costs and expenses incurred by the District under the Lease Agreement or under the Trust Agreement, or incurred by the Corporation to comply with the provisions of the Trust Agreement, including without limitation all Costs of Issuance (to the extent not paid from amounts on deposit in the Costs of Issuance Fund), annual compensation due to the Trustee and all of its reasonable costs and expenses (including amounts payable to the Trustee by virtue of indemnification) payable as a result of the performance of and compliance with its duties under the Trust Agreement, and all reasonable costs and expenses of attorneys, auditors, engineers and accountants engaged by the Corporation or the Trustee in connection with the Leased Property or the performance of their duties under the Lease Agreement or under the Trust Agreement.

Covenant to Appropriate Funds. In the Lease Agreement, the District covenants to take such action as may be necessary to include all estimated Lease Payments and all estimated Additional Payments in each of its final approved budgets. The District further covenants to make all necessary appropriations (including any supplemental appropriations) from any source of legally available funds of the District for all the actual amount of Lease Payments and Additional Payments which come due and payable during the period covered by each such budget. The covenants on the part of the District contained in the Lease agreement are duties imposed by law and it is the duty of each and every public official of the District to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the District.

See "APPENDIX A - SUMMARY OF CERTAIN PROVISIONS OF LEGAL DOCUMENTS - The Lease Agreement - Lease Payments."

Abatement

The Lease Payments are paid by the District in each rental period for the District's right to use and occupy the Leased Property for such rental period. The obligation of the District to pay the Lease Payments will be abated, proportionately, during any period in which, by reason of damage or destruction, or taking in eminent domain or any defect in title to the Leased Property, there is substantial interference with the use and possession of the Leased Property by the District. The Lease Agreement provides that the amount of such abatement shall be such that the resulting Lease Payments represent the fair consideration for the use and possession of the portion of the Leased Property not damaged or destroyed or taken; provided, however, that such abatement shall not result so long as moneys in the Lease Payment Fund and the Reserve Fund and Net Proceeds of insurance and rental interruption insurance and condemnation awards are sufficient to make Lease Payments when and as due.

Such abatement or adjustment, if any, will continue for the period commencing with such damage or destruction or taking and ending with the substantial completion of the work of repair or reconstruction; and the term of this Lease Agreement shall be extended as provided in the Lease Agreement, except that the term of the Lease Agreement will in no event be extended more than ten years beyond the termination date. Abatement of the Lease Payments is not an event of default under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the District. In the event of any such partial damage or destruction or taking, the Lease Agreement will continue in full force and effect and the District waives any right to terminate the Lease Agreement by virtue of any such damage or destruction or taking. For information regarding rental interruption insurance, see " – Covenant to Maintain Property Insurance" below.

The Trustee cannot terminate the Lease Agreement solely on the basis of such substantial interference. For a description of abatement resulting from condemnation of all or part of the Leased Property, see "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Lease Payments – Abatement of Rent."

Limited Obligation

THE OBLIGATION OF THE DISTRICT TO MAKE THE LEASE PAYMENTS DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, THE CORPORATION OR THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT

CONSTITUTE AN OBLIGATION FOR WHICH THE DISTRICT, THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE DISTRICT, THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Termination or Abatement Due to Eminent Domain. Under the Lease Agreement, if the Leased Property is taken permanently under the power of eminent domain or sold to a government threatening to exercise the power of eminent domain, the Term of the Lease Agreement will cease with respect thereto as of the day possession is so taken.

If less than all of the Leased Property is taken permanently, or if the Leased Property is taken temporarily, under the power of eminent domain, (a) the Lease Agreement will continue in full force and effect with respect thereto and will not be terminated by virtue of such taking, and the parties waive the benefit of any law to the contrary, and (b) there will be a partial abatement of Lease Payments allocated thereto, in an amount to be agreed upon by the District and the Corporation such that the resulting Lease Payments represent fair consideration for the use and occupancy of the remaining usable portions of the Leased Property, calculated in accordance with the Lease Agreement.

However, there will be no abatement of Lease Payments to the extent that amounts in the Reserve Fund, insurance proceeds and eminent domain proceeds are available to pay Lease Payments that would otherwise be abated under this provision, and such proceeds and amounts will constitute a special fund for the payment of the Lease Payments.

Lease Payment Fund

Establishment. Under the Trust Agreement the Trustee will establish a special fund designated as the "Lease Payment Fund." All moneys at any time deposited by the Trustee in the Lease Payment Fund will be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates.

So long as any Certificates are Outstanding, neither the District nor the Corporation will have any beneficial right or interest in the Lease Payment Fund or the moneys deposited therein, except only as provided in the Trust Agreement, and such moneys will be used and applied by the Trustee as set forth in the Trust Agreement.

Deposits. All Lease Payments received by the Trustee will be deposited in the Lease Payment Fund.

Application of Moneys. All amounts in the Lease Payment Fund will be used and withdrawn by the Trustee solely for the purpose of paying the principal, interest and prepayment premiums (if any) represented by the Certificates as they become due and payable, in accordance with the Trust Agreement.

Lease Payment Fund; Surplus. Any surplus remaining in the Lease Payment Fund after prepayment and payment of all Certificates, including premiums and accrued interest (if any) and payment of any applicable fees and expenses to the Trustee, or provision for such prepayment or payment having been made to the satisfaction of the Trustee, will be withdrawn by the Trustee and remitted to the District.

Action on Default

If the District defaults under the Lease Agreement, the Trustee, as assignee of the Corporation's rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the District, or may retain the Lease Agreement and hold the District liable for all Lease Payments thereunder on an annual basis. Lease Payments may not be accelerated upon a default under the Lease Agreement. See "RISK FACTORS."

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Corporation) contained in the Lease Agreement and the Trust Agreement, see "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS."

Reserve Fund

A reserve fund (the **"Reserve Fund"**) is established by the Trust Agreement and is required to be funded in an amount of the **"Reserve Requirement"**, being an amount equal to $1,516,500.

The Reserve Fund is required to be maintained until all Lease Payments are paid in full pursuant to the Lease Agreement and until the first date upon which the Certificates are no longer Outstanding.

Pursuant to the Trust Agreement, if on any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee shall apply the moneys available in the Reserve Fund to make such payments on behalf of the District by transferring the amount necessary for this purpose to the Lease Payment Fund. In addition, upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

If on any Interest Payment Date the moneys on deposit in the Reserve Fund and the Lease Payment Fund are sufficient to pay or prepay all Outstanding Certificates, including all principal, interest and prepayment premiums (if any) represented thereby, the Trustee shall, upon the written request of the District, either (i) transfer all amounts then on deposit in the Reserve Fund to the Lease Payment Fund to be applied for such purpose to the payment of the Lease Payments on behalf of the District; or (ii) transfer such amounts to the District for deposit into the Project Fund prior to the completion of the Project.

The Reserve Fund will be initially provided in the form of the Reserve Policy which is deposited with the Trustee by the Reserve Insurer on the Closing Date in the full amount of the Reserve Requirement. Under the terms and conditions of the Reserve Policy and the Trust Agreement, the Trustee shall deliver to the Reserve Insurer a demand for payment under the Reserve Policy in the required form at least five Business Days before the date on which funds are required for the purposes set forth in the Trust Agreement. The Trustee shall comply with all of the terms and provisions of the Reserve Policy and the Trust Agreement for the purpose of assuring that funds are available when required for the purposes of the Reserve Fund, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy will be deposited into the Reserve Fund and applied for the purposes thereof. So long as the Reserve Policy remains in effect, the District and the Trustee agree in the Trust Agreement to comply with all of the terms and provisions set forth in the Trust Agreement relating to the Reserve Policy.

Covenant to Maintain Insurance

The Lease Agreement requires the District to obtain public liability and property damage insurance, casualty insurance, rental interruption insurance, and to obtain a title insurance policy with respect to the Leased Property, as described below.

Public Liability and Property Damage Insurance. The District will maintain or cause to be maintained, throughout the term of the Lease Agreement, comprehensive general insurance in protection of the Corporation, the District and their respective members, officers, agents, employees and assigns. Such insurance shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such insurance shall provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of a program of self-insurance by the District, or in the form of the participation by the District in a joint powers authority or other program providing pooled insurance. The District shall apply the proceeds of such insurance toward extinguishment or satisfaction of the liability with respect to which the net proceeds are paid.

Casualty Insurance. The District will procure and maintain, or cause to be procured and maintained, at all times throughout the term of the Lease Agreement, casualty insurance against loss or damage to the insured buildings, facilities and other improvements constituting any part of the Leased Property, in an amount at least equal to the lesser of (a) the replacement value of such buildings, facilities and improvements, or (b) the aggregate principal amount of the Outstanding Certificates. Such insurance shall, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and shall include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the District, whose determination is final and conclusive. Such insurance may be subject to such deductibles as the District deems prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The District shall apply the Net Proceeds of such insurance as provided in the Lease Agreement.

Rental Interruption Insurance. The District will procure and maintain, or cause to be procured and maintained, at all times throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, of the use of the buildings, facilities and other improvements constituting any part of the Leased Property, as a result of any of the hazards covered in due to a casualty as described in the preceding paragraphs, in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive Fiscal Years during the remaining Term of the Lease Agreement. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance, if any, shall be paid to the Trustee and deposited in the Lease Payment Fund, and shall be credited towards the payment of the Lease Payments allocable to the insured improvements as the same become due and payable.

Title Insurance. The District shall obtain a CLTA title insurance policy insuring the District's leasehold estate in the Leased Property under the Lease, in an amount at least equal to the aggregate principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited with the Trustee in the Lease Payment Fund and credited towards the prepayment of the Lease Payments under the Lease Agreement.

See also "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance."

Insurance and Condemnation Fund; Application of Net Proceeds

The Lease Agreement requires that Net Proceeds of any insurance or condemnation award with respect to the Leased Property (other than proceeds of rental interruption insurance, which are required to be deposited into the Lease Payment Fund) be paid to the Trustee to be applied as provided in the Trust Agreement. The Trust Agreement provides that such Net Proceeds received by the Trustee shall be deposited in the Insurance and Condemnation Fund and that the District shall, within 90 days of the deposit of Net Proceeds with the Trustee, file a certificate with the Trustee and the Net Proceeds shall be applied by the Trustee as follows:

Application of Net Proceeds of Insurance.

Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of any component of the Leased Property shall be paid to the Trustee under the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in a special fund designated as the "Insurance and Condemnation Fund" which the Trustee shall establish. If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of the Leased Property is not economically feasible or in the best interests of the District, then such Net Proceeds shall be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments and the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first Interest Payment Date for which notice of prepayment can be timely given. The determination of the District to apply Net Proceeds to the prepayment of Certificates is subject to the following:

(a) if the Leased Property is damaged or destroyed in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments allocable to the Leased Property; and

(b) if the Leased Property is damaged or destroyed in part but not in whole, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay Outstanding Certificates only if the Lease Payments which result after the corresponding abatement thereof under the Lease Agreement are sufficient to pay the full amount of principal and interest represented by the Certificates which remain Outstanding after such prepayment.

All Net Proceeds deposited in the Insurance and Condemnation Fund and not so transferred to the Lease Payment Fund shall be applied to the prompt replacement, repair, restoration, modification or improvement of the damaged or destroyed portions of the Leased Property by the District, upon receipt of written requisitions of the District stating with respect to each payment to be made (a) the name and address of the person, firm or corporation to whom payment is due, (b) the amount to be paid and (c) that each obligation mentioned therein has been properly incurred, is a proper charge against the Insurance and Condemnation Fund, has not been the basis of any previous withdrawal, and specifying in reasonable detail the nature of the obligation. Any balance of the Net Proceeds remaining after the District shall file a written certificate with the Trustee stating that such work has been completed shall, after payment of all amounts then due and owing to the Trustee hereunder, be paid to the District.

See "THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds."

Application of Net Proceeds of Condemnation Award. The Trust Agreement provides that, if all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom shall be deposited with the Trustee in the Insurance and Condemnation Fund, under the Lease Agreement, and shall be applied and disbursed by the Trustee as follows:

(a) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) that such proceeds are not needed for repair, replacement or rehabilitation of the Leased Property, and the District has given written notice to the Trustee of such determination, the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited towards the payment of the Lease Payments as they become due and payable.

(b) If the District gives written notice to the Trustee of its determination that (i) such eminent domain proceedings have not materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, and (ii) such proceeds are needed for repair, replacement or rehabilitation of the Leased Property, the Trustee shall pay to the District, or to its order, from said proceeds such amounts as the District may expend for the repair or rehabilitation of the Leased Property.

(c) If (i) less than all of the Leased Property is taken in such eminent domain proceedings or sold to a government threatening the use of eminent domain powers, and if the District gives written notice to the Trustee of its determination that such eminent domain proceedings have materially affected the interest of the District in the Leased Property or the ability of the District to meet any of its financial obligations under the Lease Agreement, or (ii) all of the Leased Property is taken in such eminent domain proceedings, then the Trustee shall transfer such proceeds to the Lease Payment Fund to be credited toward the prepayment of the Lease Payments of the Lease Agreement and applied to the corresponding mandatory prepayment of Certificates, which prepayment shall be made on the first prepayment date for which notice of prepayment can be timely given.

In making any such determination whether to repair, replace or rehabilitate the Leased Property under this Section, the District may obtain, but is not required to obtain, at its expense, the report of an independent engineer or other independent professional consultant, a copy of which must be filed with the Trustee. Any such determination by the District is final. See also "THE CERTIFICATES – Prepayment – Mandatory Prepayment from Net Proceeds."

THE DISTRICT

General Information

The District was formed in 1900 and is located in western Santa Clara County (the "**County**"), approximately 50 miles south of the City of San Francisco and eight miles west of the downtown area of the City of San José. Formed in 1900, the District covers an area of approximately 30 square miles and serves the west side of the Santa Clara Valley with five comprehensive grade nine through twelve sites: (1) Branham, (2) Del Mar, (3) Leigh, (4) Prospect, and (5) Westmont High Schools. The District also maintains Boynton Continuation High School, which is an alternative school serving a variety of special needs, and the Camden Community Day School, which is an additional program/site, adding options for students. The District serves students in grades 9-12 and has enrollment of 7,684 students in fiscal year 2015-16. Additionally, the District maintains the Campbell Adult and Community Education program, which is a fee-based community education program providing adults with low cost access to educational and skills training, with enrollment of 2,400 adult students in fiscal year 2015-16. There are five elementary school districts that feed into the District: Moreland, Cambrian, Union, Luther Burbank and Campbell Union. There are three charter schools which operate within District boundaries but are independent from the District.

Basic Aid Status/Community Supported District

Commencing in fiscal year 2007-08, the District's local property taxes have exceeded the State's calculated revenue limit for the District, resulting in the District being treated as a **"Basic Aid"** district for purposes of general purpose education funding by the State. As such, the District has not received a general purpose revenue limit entitlement from the State, but instead has been entitled to keep its share of local property taxes in excess of its State funding entitlement. Such status has continued with implementation of the new education funding formula known as the Local Control Funding Formula (the **"LCFF"**) commencing in fiscal year 2013-14.

The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future, including following full implementation of LCFF in fiscal year 2020-21. For more information on the District's Basic Aid status, see "DISTRICT FINANCIAL INFORMATION - Basic Aid/Community Supported District" below.

Parcel Tax Revenues

In addition to the funding entitlement resulting from being a Basic Aid District, the District obtains additional local funding through a voter approved parcel tax which extends through fiscal year 2021-22. For more information on the District's voter-approved parcel tax, see "DISTRICT FINANCIAL INFORMATION - Voter Approved Parcel Tax Levy."

Administration

Board of Trustees. The District is governed by a five-member Board of trustees, with each member elected to a four-year term in alternate slates of two and three. Current members of the Board of Trustees, together with their office and the date their current term expires, are listed below.

Name	Board Position	Term Expires
Matthew T. Dean	President	December 2018
Stacey Brown	Clerk	December 2018
Wendy Dillingham-Plew	Trustee	December 2018
Kalen Gallagher	Trustee	December 2016
Linda Goytia	Trustee	December 2016

Superintendent and Administrative Personnel. The Superintendent of the District, appointed by the Board, is responsible for management of the day-to-day operations and supervises the work of other District administrators.

Employee Relations

In fiscal year 2015-16, the District employs 359.6 full-time equivalent certificated employees and 173 full-time equivalent classified (non-management) employees.

District employees are represented by three bargaining agents: the Campbell High School Teachers Association (**"CHSTA"**), which is the exclusive bargaining agent for all certificated non-management employees of the District, the California School Employees' Association (**"CSEA"**) which is the bargaining agent for all classified or uncertificated personnel within the District, and the Service Employees International Union ("**SEIU**") which is the bargaining agent for service and maintenance employees.

Management and confidential employees are not represented by a bargaining unit.

The following table summarizes the employees covered by the bargaining agreements and the date through which current contracts extend.

CAMPBELL UNION HIGH SCHOOL DISTRICT
CONTRACTS WITH BARGAINING UNITS

Bargaining Unit	Employees Covered	Expiration Date
Campbell High School Teachers Association	Certificated	06/30/2016
California School Employees' Association	Classified	06/30/2016
Service Employees International Union	Service/Maintenance	12/14/2016

Source: Campbell Union High School District.

Recent Enrollment Trends

The following table shows recent enrollment and average daily attendance history for the District. The District currently expects enrollment to remain steady.

CAMPBELL UNION HIGH SCHOOL DISTRICT
Annual Enrollment and Average Daily Attendance
Fiscal Years 2004-05 through 2016-17 (Projected)

Fiscal Year	Enrollment	% Change	ADA	% Change
2004-05	7,803	--	7,288	--
2005-06	7,721	(1.05)%	7,399	1.52%
2006-07	7,779	0.75	7,388	(0.14)
2007-08	7,838	0.76	7,387	(0.01)
2008-09	7,746	(1.17)	7,272	(1.55)
2009-10	7,791	0.58	7,266	(0.08)
2010-11	7,581	(2.70)	7,203	(0.86)
2011-12	7,408	(2.28)	7,214	0.15
2012-13	7,417	0.12	7,031	(2.54)
2013-14	7,353	(0.86)	6,968	(0.90)
2014-15	7,457	1.41	7,164	2.81
2015-16	7,684	3.04	7,307	1.99
2016-17	7,758	0.96	7,453	1.99

Source: Enrollment: California Department of Education; Campbell Union High School District through Fiscal Year 2014-15; District thereafter. ADA: Campbell Union High School District.

Risk Management

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.

The District is self-insured for property and liability, workers' compensation and dental claims. The District has established a separate Self-Insurance Fund (the **"Fund"**) for accounting and reporting purposes. The District provides coverage up to a maximum of $250,000 for each workers' compensation claim, $75,000 for each property claim and $10,000 for each general liability claim. The District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three years.

The claims liability of $2,377,356 at June 30, 2015 was actuarially determined based on the Governmental Accounting Standards Board. This liability was reported in the District's 2014-15 Audited Financial Statement at present value using an expected future investment yield assumption of 2.5% and 2.0% for the workers' compensation and property and liability programs, respectively.

DISTRICT FINANCIAL INFORMATION

Education Funding Generally

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

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

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

- A base grant for each local education agency per unit of ADA, which varies with respect to different grade spans. The base grant is $2,375 more than the average revenue limit provided prior to LCFF implementation. The base grants will be adjusted upward each year to reflect cost-of-living increases. In addition, grades K-3 and 9-12 are subject to adjustments of 10.4% and 2.6%, respectively, to cover the costs of class size reduction in grades K-3 and the provision of career technical education in grades 9-12.

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

- An additional concentration grant of up to 50% of a local education agency's base grant, based on the number of English learners, students from low-income families and foster youth served by the local agency that comprise more than 55% of enrollment.

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

The LCFF was implemented for fiscal year 2013-14 and is being phased in gradually. Beginning in fiscal year 2013-14, an annual transition adjustment was required to be calculated for each school district, equal to each district's proportionate share of the appropriations included in the State budget (based on the percentage of each district's students who are low-income, English learners, and foster youth ("**Targeted Students**"), to close the gap between the prior-year funding level and the target allocation at full implementation of LCFF. In each year, districts 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.

Based on revenue projections, districts will reach what is referred to as "full funding" in fiscal year 2020-21. This projection assumes that the State's economy will improve each year; if the economy falters it could take longer to reach full funding.

The target LCFF amounts for State school districts and charter schools based on grade levels and Targeted Students is shown below.

Grade Span Funding at Full LCFF Implementation
(Target Amounts)

Grade Span	Base Grant[1]	K-3 Class Size Reduction and 9-12 Adjustments	Average Assuming 0% Targeted Students	Average Assuming 25% Targeted Students	Average Assuming 50% Targeted Students	Average Assuming 100% Targeted Students
K-3	$6,845	$712	$7,557	$7,935	$8,313	$10,769
4-6	6,947	N/A	6,947	7,294	7,642	9,899
7-8	7,154	N/A	7,154	7,512	7,869	10,194
9-12	8,289	$216	8,505	8,930	9,355	12,119

(1) Does not include adjustments for cost of living.
Source: California Department of Education.

The new legislation included a "hold harmless" provision which provided that a district or charter school would maintain total revenue limit and categorical funding at least equal to its fiscal year 2012-13 level, unadjusted for changes in ADA or cost of living adjustments.

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

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

Basic Aid Districts. Community Supported Districts, formerly known as Basic Aid, are those whose local property tax revenues exceed the funding entitlement under the LCFF. Community Supported Districts do not receive any funds from the State appropriation, however, it does receive funds from the State for categorical and grant programs restricted to a special population or for certain purposes such as disabled students or instructional equipment. The current law in California allows these districts to keep the excess property tax revenues without penalty. The implication for Community Supported Districts is that the legislatively determined annual cost of living adjustment and other politically determined factors are less significant in determining such districts' primary funding sources. Rather, property tax growth and the local economy become the determinant factors.

Accounting Practices

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

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

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

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

Financial Statements and Accounting Practices

Accounting Practices. The District's fiscal year begins on July 1 and ends on June 30. 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 of California Education Code, is to be followed by all California school districts.

Measurement Focus and Basis of Accounting. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenues when all eligibility requirements imposed by the provider have been met.

Governmental and fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within one year of the end of the current fiscal period. Expenses generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenses, as well as expenses related to the compensated absences and claims and judgments, are recorded only when payment is due.

Basic Aid/Community Supported District. The District has been a Basic Aid/Community Supported District since fiscal year 2007-08 and as such is entitled to keep its share of local property taxes in excess of the revenue limit or LCFF funding entitlement. Due to projected increases in assessed valuation, the District anticipates that it will remain a community supported district in the near future, including following full implementation of LCFF in fiscal year 2020-21. In fiscal year 2015-16, the District has budgeted for LCFF Funding of over $70 million, of which approximately 92.79 percent is expected to be sourced from local property tax revenues, not from the State.

Financial Statements. The District's independent auditor for fiscal year 2014-15 was Crowe Horwath LLP, Sacramento, California. The District's audited financial statements for the year ended June 30, 2015 are included as Appendix A hereto. The District has not requested nor did the District obtain permission from the Auditor to include the audited financial statements as an appendix to this Official Statement. Accordingly, the Auditor has not performed any post-audit review of the financial condition or operations of the District.

General Fund Revenues, Expenditures and Changes in Fund Balance. The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in the General Fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund. For financial reporting purposes, the Special Reserve for Other than Capital Outlay Fund is included within the General Fund.

The following table shows the audited income and expense statements for the District's General Fund for the fiscal years 2009-10 through 2014-15.

CAMPBELL UNION HIGH SCHOOL DISTRICT
General Fund - Revenues, Expenses and Changes in Fund Balance
Fiscal Years 2009-10 through 2014-15

	2009-10 Audited	2010-11 Audited	2011-12 Audited	2012-13 Audited	2013-14 Audited	2014-15 Audited
Revenues						
Revenue Limit/LCFF[1]:						
State apportionment[2]	$(361,155)	$(598,075)	$(610,650)	$826,378	$5,091,639	$5,104,972
Local sources	54,576,207	53,186,425	54,084,738	57,364,550	61,304,823	65,528,545
Total revenue limit/LCFF	54,215,052	52,588,350	53,474,088	58,190,928	66,396,462	70,633,517
Federal Revenue	3,606,585	3,364,840	1,879,825	2,031,488	1,704,721	1,699,855
Other State Revenue	5,087,988	5,039,978	2,907,361	3,146,903	4,661,656	6,136,396
Other Local Revenue[3]	8,305,510	7,404,492	7,374,509	6,729,883	6,975,363	7,265,842
Total Revenue	71,215,135	68,397,660	65,635,783	70,099,202	79,738,202	85,735,610
Expenditures						
Certificated Salaries	32,149,179	31,581,569	30,910,662	30,205,412	33,452,706	35,030,628
Classified Salaries	8,873,596	8,768,343	8,747,209	8,784,660	9,354,704	9,308,262
Employee Benefits	13,055,099	14,004,931	14,396,692	14,679,437	15,407,428	19,313,485
Books & Supplies	1,651,186	1,771,550	1,874,056	2,165,940	5,547,553	4,269,641
Services & Other Operating Expenses	7,951,105	8,332,200	8,315,229	8,552,258	10,042,310	9,794,885
Capital Outlay	271,880	248,980	112,859	71,084	134,833	864,072
Other Outgo	2,264,456	2,136,537	2,936,910	3,339,779	4,193,297	4,295,658
Total Expenditures	66,216,501	66,844,110	67,293,617	67,798,570	78,132,831	82,876,631
Excess of Revenues Over (Under) Expenditures	4,998,634	1,553,550	(1,657,834)	2,300,632	1,605,371	2,858,9791
Other Financing Sources (Uses)						
Operating Transfer In	-	-	-	-	--	--
Operating Transfer Out	(429,653)	(1,254,728)	(521,532)	(408,533)	(3,606,414)	(3,979,528)
Total Other Sources & Uses	(429,653)	(1,254,728)	(521,532)	(408,533)	(3,606,414)	(3,979,528)
Net Change in Fund Balance	4,568,981	298,822	(2,179,366)	1,892,099	(2,001,043)	(1,120,549)
Fund Balance, Beginning of Year	15,612,573	20,181,644	20,480,466	18,301,100	20,193,199	18,192,156
Fund Balance, End of Year[4]	$20,181,554	$20,480,466	$18,301,100	$20,193,199	$18,192,156	$17,071,607[3]

(1) LCFF was implemented in fiscal year 2013-14. Because the District is a Basic Aid District, the majority of LCFF funding is derived from local property tax sources which are included in Revenue Limit/LCFF Revenues in the category of Local Sources.

(2) The State portion of revenue limit is shown as a negative in 2009-10 through 2011-12 because revenue was passed through to the Santa Clara County Office of Education for providing services for some of the District's Special Education Students. Funding for this ADA is claimed by the District as part of the District's Revenue Limit calculation. Because the District became a Basic Aid district in 2007-08, the revenue pass-through to the County appeared as a negative State apportionment.

(3) District Local Revenues include voter-approved parcel tax.

(4) See below under the heading "-District Reserves" for identification of non-spendable, restricted, assigned and unassigned.

Source: Campbell Union High School District.

District Budget and Interim Financial Reporting

Budgeting - Education Code Requirements. The District is required by provisions of the California 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.

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

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

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

Interim Certifications Regarding Ability to Meet Financial Obligations. AB 1200 imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County

Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the current fiscal year or the subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

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

District's Budget Approval/Disapproval and Certification History. The District has not received any qualified or negative certifications of its financial reports in the past five years, nor have any of its budgets been disapproved. The District's most recent interim report, the Second Interim for fiscal year 2014-15, was filed with a positive certification with the County Superintendent. The First Interim Report for fiscal year 2015-16 was presented to the District Board at its meeting on December 10, 2015 and certified as positive.

Copies of the District's budget, interim reports and certifications may be obtained upon request from the District Office at Campbell Union High School District, 3235 Union Avenue, San José, California 95124; telephone (408) 371-0960. The District may impose charges for copying, mailing and handling.

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District's Fiscal Year 2015-16 Budgeted and Projected General Fund Figures. The following table shows a comparison of the Adopted Budget figures for fiscal year 2015-16, and the First Interim Report projections for fiscal year 2015-16.

CAMPBELL UNION HIGH SCHOOL DISTRICT
General Fund - Revenues, Expenses and Changes in Fund Balance
2015-16 Budgeted and First Interim Projections

	Budgeted[1] 2015-16	First Interim Projections 2015-16
Revenues		
LCFF Sources[2]	$74,819,358	$74,726,615
Federal revenues	1,619,156	1,570,546
Other state revenues	6,609,379	6,890,961
Other local revenues	6,646,339	6,568,417
Total Revenues	89,694,232	89,756,539
Expenses		
Certificated Salaries	37,171,613	36,889,003
Classified Salaries	9,817,462	9,978,236
Employee Benefits	18,463,664	18,484,898
Books and Supplies	4,322,921	4,575,564
Services and Other Operating Expenses	10,373,353	11,427,330
Capital Outlay	--	40,266
Other Outgo	3,916,958	5,038,048
Total Expenses	84,065,971	86,433,347
Excess of Revenues Over/(Under) Expenses	5,628,261	3,323,191
Other Financing Sources (Uses)		
Operating Transfers In	--	--
Operating Transfers Out	(1,284,872)	(1,284,872)
Total Other Financing Sources (Uses)	(1,284,872)	(1,284,872)
Net Change in Fund Balance	4,343,389	2,038,319
Fund Balance, July 1[3]	14,537,648	14,537,648
Fund Balance, June 30	$18,881,037	$16,575,968

(1) Budget assumptions include a stable tax base and local property tax revenues.
(2) The District expects that approximately 92% of its LCFF sources will be derived from local property taxes because its share of local property tax revenues exceed its LCFF entitlement.
(3) Fund balance not directly comparable to audited financial statements because budgets and interim reports account for special reserves outside of the General Fund.
Source: Campbell Union High School District.

District Reserves The District has a Board-adopted policy of maintaining a reserve for economic uncertainties of at least 5% of general fund expenditures, which is 2% higher than the applicable level required by the State.

In connection with legislation adopted in connection with the State's fiscal year 2014-15 Budget (**"SB 858"**), the Education Code was amended to provide that, beginning in fiscal year 2015-16, if a district's proposed budget includes a local reserve above the minimum recommended level, the governing board must provide the information for review at the annual public hearing on its proposed budget. In addition, SB 858 included a provision, which became effective upon the passage of Proposition 2 at the November 4, 2014 statewide election, which limits the amount of reserves which may be maintained at the District level. Specifically, the legislation, among other things, enacted Education Code Section 42127.01, which became operative December 15, 2014, and provides that in any fiscal year immediately after a fiscal year in which a transfer is made to the State's Public School System Stabilization Account (the Proposition 98 reserve), a school district may not adopt a budget that contains a reserve for economic uncertainties in excess of twice the applicable minimum recommended reserve for economic uncertainties established by the State Board (for school districts with ADA over 400,000, the limit is three times the amount). Exemptions can be granted by the County Superintendent under certain circumstances.

In August of 2015, Senate Bill 799 ("**SB 799**") was introduced into the State Senate in response to SB 858 proposing reforms to the reserve cap. SB 799 proposes a cap on unassigned reserves and special reserves for other than capital outlay of seventeen percent, with exemptions from the cap for school districts with less than 2,500 average daily attendance and basic aid districts.

The District cannot predict how SB 858 or SB 799, if enacted, will impact its reserves and future spending. See "STATE FUNDING OF EDUCATION; RECENT STATE BUDGETS-2014-15 State Budget."

For fiscal year 2014-15, the ending general fund balance of $17,071,607 (audited) included reserves as follows:

CAMPBELL UNION HIGH SCHOOL DISTRICT
Fiscal Year 2014-15 Reserve Fund Balance

Non-spendable:	$518,470
Restricted:	2,723,041
Assigned	11,296,138
Unassigned:	2,533,958
Total	$17,071,607

Attendance - Revenue Limit and LCFF Funding

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

In fiscal year 2015-16, the District has budgeted for LCFF Funding of over $70 million, of which approximately 92.79 percent is expected to be sourced from local property tax revenues, not from the State. The District expects to continue to have local property tax revenue in excess of its LCFF entitlement for the near future, including following full implementation of LCFF in fiscal year 2020-21.

Revenue Sources

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

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

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

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

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under No Child Left Behind, the Individuals With Disabilities Education Act, and specialized programs such as Drug Free Schools.

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

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

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

Other Local Revenues - Parcel Tax. In addition to local property taxes, the District receives additional local revenues from items such as interest earnings and other local sources, including a voter-approved parcel tax.

The parcel tax was initially approved at an election held on November 2, 2004, at which more than 2/3 of the District voters approved the levy of a parcel tax in the amount of $85 per parcel, excluding parcels owned by residents aged 65 or older who apply for an exemption. The parcel tax was authorized to be levied for five years, commencing with fiscal year 2005-06. On November 4, 2008, District voters approved the extension of the parcel tax of $85 per parcel, for an additional 5 years, and renewed it again on November 5, 2013 for an additional 8 years. The parcel tax revenues are reflected in the District's audit under "Local Revenues."

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 Underwriter.

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

Implementation of GASB Nos. 68 and 71. Commencing with fiscal year ended June 30, 2015, the District implemented the provisions of GASB Statement Nos. 68 and 71 which require certain new pension disclosures in the notes to its audited financial statements commencing with the audit for fiscal year 2014-15. Statement No. 68 generally requires the District to recognize its proportionate share of the unfunded pension obligation for STRS and PERS by recognizing a net pension liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. As a result of the implementation of GASB Statement Nos. 68 and 71, the District may have had to reflect a restatement of its beginning net position as of July 1, 2014. See "APPENDIX B - Audited Financial Statements of the District For Fiscal Year Ending June 30, 2015."

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

STRS EMPLOYER CONTRIBUTIONS
Campbell Union High School District
Fiscal Years 2011-12 through 2015-16

Fiscal Year	Amount
2011-12	$2,650,007
2012-13	2,489,512
2013-14	2,636,364
2014-15	3,046,557
2015-16[1]	3,810,309

(1) Budgeted.
Source: Campbell Union High School District.

Historically, employee, employer and State contribution rates did not vary annually to account for funding shortfalls or surpluses in the STRS plan. In recent years, the combination of investment earnings and statutory contributions were not sufficient to pay actuarially required amounts. As a result, the STRS defined benefit program showed an estimated unfunded actuarial liability of approximately $72.7 billion as of June 30, 2014 (the date of the last actuarial valuation). In connection with the State's adoption of its fiscal year 2014-15 Budget, the Governor signed into law Assembly Bill 1469 ("**AB 1469**"), which represents a legislative effort to address the unfunded liabilities of the STRS pension plan. AB 1469 addressed the funding gap by increasing contributions by employees, employers and the State. In particular, employer contribution rates are scheduled to increase through at least fiscal year 2020-21, from a contribution rate of 8.25% in fiscal year 2013-14 to 19.1% in fiscal year 2020-21. Thereafter, employer contribution rates will be determined by the STRS board to reflect the contribution required to eliminate unfunded liabilities by June 30, 2046.

The District's employer contribution rates for fiscal years 2014-15 and 2015-16 were 8.88% and 10.73%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2016-17 through fiscal year 2020-21 are set forth in the following table.

PROJECTED EMPLOYER CONTRIBUTION RATES (STRS)
Fiscal Years 2016-17 through 2020-21

Fiscal Year	Projected Employer Contribution Rate(1)
2016-17	12.58%
2017-18	14.43
2018-19	16.28
2019-20	18.13
2020-21	19.10

(1) Expressed as a percentage of covered payroll.
Source: AB 1469

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

PERS EMPLOYER CONTRIBUTIONS
Campbell Union High School District
Fiscal Years 2011-12 through 2015-16

Fiscal Year	Amount
2011-12	$2,650,007
2012-13	2,489,512
2013-14	2,636,364
2014-15	3,046,557
2015-16(1)	3,810,309

(2) Budgeted.
Source: Campbell Union High School District.

Like the STRS program, the PERS program has experienced an unfunded liability in recent years. The PERS unfunded liability, on a market value of assets basis, was approximately $8.7 billion as of June 30, 2014 (the date of the last actuarial valuation). To address this issue, the PERS board has taken a number of actions. In April 2013, for example, the PERS board approved changes to the PERS amortization and smoothing policy intended to reduce volatility in employer contribution rates. In addition, in April 2014, PERS set new contribution rates, reflecting new demographic assumptions and other changes in actuarial assumptions. The new rates and underlying assumptions, which are aimed at eliminating the unfunded liability of PERS in approximately 30 years, will be implemented for school districts beginning in fiscal year 2016-17, with the costs spread over 20 years and the increases phased in over the first five years.

The District's employer contribution rates for PERS for fiscal years 2014-15 and 2015-16 were 11.771% and 11.847%, respectively. Projected employer contribution rates for school districts (including the District) for fiscal year 2016-17 through fiscal year 2020-21 are set forth in the following table.

PROJECTED EMPLOYER CONTRIBUTION RATES (PERS)
Fiscal Years 2016-17 through 2020-21(1)

Fiscal Year	Projected Employer Contribution Rate(2)
2016-17	15.0%
2017-18	16.6
2018-19	18.2
2019-20	19.9
2020-21	20.4

(1) Rates were estimated by PERS in 2014 using 2012 financial data. The PERS board is expected to approve official employer contribution rates for each fiscal year shown during the immediately preceding fiscal year.
(2) Expressed as a percentage of covered payroll.
Source: PERS

California Public Employees' Pension Reform Act of 2013. On September 12, 2012, the Governor signed into law the California Public Employees' Pension Reform Act of 2013 ("**PEPRA**"), which impacted various aspects of public retirement systems in the State, including the STRS and PERS programs. In general, PEPRA (i) increased the retirement age for public employees depending on job function, (ii) capped the annual pension benefit payouts for public employees hired after January 1, 2013, (iii) required public employees hired after January 1, 2013 to pay at least 50% of the costs of their pension benefits (as described in more detail below), (iv) required final compensation for public employees hired after January 1, 2013 to be determined based on the highest average annual pensionable compensation earned over a period of at least 36 consecutive months, and (v) attempted to address other perceived abuses in the public retirement systems in the State. PEPRA applies to all public employee retirement systems in the State, *except* the retirement systems of the University of California, and charter cities and charter counties whose pension plans are not governed by State law. PEPRA's provisions went into effect on January 1, 2013 with respect to new State, school, and city and local agency employees hired on or after that date; existing employees who are members of employee associations, including employee associations of the District, have a five-year window to negotiate compliance with PEPRA through collective bargaining.

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

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

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

Additional Information. Additional information regarding the District's retirement programs is available in the District's audited financial statements attached hereto as APPENDIX B. In addition, both STRS and PERS issue separate comprehensive financial reports that include financial statements and required supplemental information. Copies of such reports may be obtained from STRS and PERS, respectively, as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; and (ii) PERS, 400 Q Street, Sacramento, California 95811. More information regarding STRS and PERS can also be obtained at their websites, www.calstrs.com and www.calpers.ca.gov, respectively. *The references to these Internet websites are shown for reference and convenience only and the information contained on such websites is not incorporated by reference into this Official Statement. The information contained on these websites may not be current and has not been reviewed by the District or the Underwriter for accuracy or completeness.*

Other Post-Employment Healthcare Benefits

Other Post-Employment Benefits. In June 2004, the Governmental Accounting Standards Board ("**GASB**") issued Statement No. 45 ("**GASB 45**"), which addresses how state and local governments should account for and report their costs and obligations related to post-employment health care and other non-pension benefits ("**OPEB**"). GASB 45 generally requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions. Annual OPEB cost for most local governments will be based on actuarially determined amounts that, if paid on an ongoing basis, generally would provide sufficient resources to pay benefits as they come due.

Plan Description. The District provides postretirement health care benefits to all employees who retire from the District after attaining age 55 with at least 15 years of service, in accordance with contracts between the District and employee groups. Benefits are provided for classified retirees to age 65 or for 120 months, and for certificated retirees to age 65. The District pays half the cost of medical benefits for certificated and classified retirees, recognized as expenditures on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation. The District's annual OPEB cost (expense) is calculated based on the annual required contribution ("**ARC**"), an amount actuarially determined in accordance with the parameters of GASB Statement No. 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 over a period not to exceed 30 years.

Funded Status and Funding Progress. A summary of the District's OPEB obligation, based on projected pay-as-you-go financing requirements, as shown in the District's audited financial statements as of June 30, 2015, is as follows:

CAMPBELL UNION HIGH SCHOOL DISTRICT
NET OPEB OBLIGATION
Year Ending June 30, 2015

ARC/Annual OPEB cost (expense)	$858,123
Interest on net OPEB obligation	115,503
Adjustment to annual required contribution	(94,864)
Annual OPEB cost (expense)	878,762
Contributions made	(251,924)
Increase in net OBEP Obligation	626,838
Net OPEB Obligation – beginning of year	2,887,566
Net OPEB Obligation – end of year	$3,514,404

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the years ended June 30, 2010 through 2015 were as follows:

CAMPBELL UNION HIGH SCHOOL DISTRICT
ANNUAL OPEB COST, % CONTRIBUTED AND NET OPEB OBLIGATION
Years Ending June 30, 2010 through 2015

Fiscal Year Ended	Annual OPEB Cost	% of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	$571,339	53%	$ 712,587
June 30, 2011	639,044	28%	1,171,547
June 30, 2012	661,992	29%	1,640,390
June 30, 2013	828,875	25.3%	2,259,687
June 30, 2014	853,646	26.4%	2,887,566
June 30, 2015	878,762	(29)%	3,514,404

As of July 1, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $7,366,467, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (**"UAAL"**) of $7,366,467. The covered payroll (annual payroll of active employees covered by the Plan) was $41,090,109, and the ratio of the UAAL to the covered payroll was 17.9 percent. The OPEB plan is currently operated as a single-employer pay-as-you-go plan, and does not issue stand-alone financial statements.

See "APPENDIX B –AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR 2014-15 - Note 10 - Other Postemployment Benefits."

Long Term District Debt

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

General Obligation Bonds. The District has received voter authorization to issue general obligation bonds at two separate elections, one held on November 2, 1999, and the other on November 6, 2006, as described below. Under these authorizations, the District has seven series of general obligation or refunding general obligation bonds currently outstanding, as summarized in the following table and as described in more detail below.

GENERAL OBLIGATION BONDS
Campbell Union High School District

Dated Date	Series	Original Principal Amount	Principal Outstanding February 1, 2015
04/25/2007	2007 General Obligation Bonds, Election 2006, Series A	$25,000,000	$840,000
05/29/2008	2008 General Obligation Bonds, Election 2006, Series B	30,000,000	1,380,000
06/10/2009	2009 General Obligation Refunding Bonds	29,240,000	4,780,000
12/22/2010	2010 General Obligation Bonds, Election 2006, Series C	35,000,000	32,545,000
02/14/2012	2012 General Obligation Refunding Bonds	14,650,000	14,085,000
05/23/2013	2013 General Obligation Refunding Bonds	16,235,000	15,975,000
11/04/2014	2014 General Obligation Refunding Bonds	30,100,000	28,855,000
04/21/2015	2015 General Obligation Refunding Bonds	25,280,000	25,020,000
01/06/2016	2016 General Obligation Refunding Bonds	19,285,000	19,285,000

Source: District's Audits; the Financial Advisor.

See also "DEBT SERVICE SCHEDULES" in the body of this Official Statement for the annual debt service requirements of the District's outstanding bonds.

1999 GO Bond Authorization. On November 2, 1999, the District's voters approved an authorization of $95,000,000 principal amount of general obligation bonds (the "**1999 Authorization**"). The District has issued multiple series of bonds pursuant to the 1999 Authorization, which have been subsequently refunded with the proceeds of refunding bonds. The District has issued the full amount of the 1999 Authorization.

2006 GO Bond Authorization. On November 6, 2006, the District's voters approved an authorization of $90,000,000 principal amount of general obligation bonds (the "**2006 Authorization**"). The District has issued multiple series of bonds pursuant to the 2006 Authorization, some of which have been refunded with the proceeds of refunding bonds. The District has issued the full amount of the 2006 Authorization.

Long-Term Lease Obligation. On August 1, 2011, the District entered into the 2011 Lease to finance a portion of the costs of acquiring and installing photovoltaic solar shade structures in parking lots at seven District sites. The semi-annual lease payments payable thereunder are payable from the District's general fund. The final maturity date is August 1, 2021. The 2011 Lease is expected to be prepaid in full with a portion of the proceeds of the Certificates described herein.

State Funding of Education

General. The State requires that from all State revenues there first shall be set apart the moneys to be applied for support of the public school system and public institutions of higher education. Public school districts in California are dependent on revenues from the State for a large portion of their operating budgets. California school districts receive an average of about 55% of their operating revenues from various State sources. The primary source of funding for school districts is funding under the LCFF, which is a combination of State funds and local property taxes (see "DISTRICT FINANCIAL INFORMATION – Education Funding Generally" above). State funds typically make up the majority of a district's LCFF entitlement.

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

The following information concerning the State's budgets for the current and most recent preceding years has been compiled from publicly-available information provided by the State. Neither the District, the Corporation, nor the Underwriter are responsible for the information relating to the State's budgets provided in this section. Further information is available from the Public Finance Division of the State Treasurer's Office.

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

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

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

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

Recent State Budgets

Certain information about the State budgeting process and the State Budget is available through several State of California sources. A convenient source of information is the State's website, where recent official statements for State bonds are posted. *The references to internet websites shown below are shown for reference and convenience only, the information contained within the websites may not be current and has not been reviewed by the District or the Underwriter and is not incorporated herein by reference.*

- The California Department of Finance's Internet home page at www.dof.ca.gov, under the heading "California Budget", includes the text of proposed and adopted State Budgets.

- The State Legislative Analyst's Office prepares analyses of the proposed and adopted State budgets. The analyses are accessible on the Legislative Analyst's Internet home page at www.lao.ca.gov under the heading "Subject Area – Budget (State)".

Prior Years' Budgeting Techniques. Declining revenues and fiscal difficulties which arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures which were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for local agencies. Although the fiscal year 2014-15 State Budget is balanced and projects a balanced budget for the foreseeable future, largely attributable to the additional revenues generated due to the passage of Proposition 30 at the November 2, 2010 statewide election, there can be no certainty that budget-cutting strategies such as those used in recent years will not be used in the future should the State Budget again be stressed and if projections included in such budget do not materialize.

2013-14 State Budget: Significant Change in Education Funding. As described previously herein, the 2013-14 State Budget and its related implementing legislation enacted significant reforms to the State's system of K-12 education finance with the enactment of the LCFF. Significant reforms such as the LCFF and other changes in law may have significant impacts on the District's finances.

2015-16 Adopted State Budget

On June 24, 2015, Governor Brown signed the fiscal year 2015-16 State Budget Act (the "**2015-16 State Budget**"). The 2015-16 State Budget includes approximately $117.5 billion in State General Fund resources (including revenues, transfers and the prior year ending balance) and approximately $115.4 billion in planned State General Fund expenditures. By the end of fiscal year 2015-16, the Budget Stabilization Account will have a total balance of $3.5 billion. The 2015-16 State Budget includes an approximately 0.8% State General Fund spending increase from the fiscal year 2014-15 State Budget Act (the "**2014-15 State Budget**").

The 2015-16 State Budget includes Proposition 98 funding of $68.4 billion for the fiscal year, which is approximately $7.6 billion more in Proposition 98 funding than in the 2014-15 State Budget. When combined with increases of $6.1 billion in fiscal years 2013-14 and 2014-15 as well as other one-time savings and adjustments in those years, the 2015-16 State Budget provides a $14.4 billion increased investment in K-14 education.

The 2015-16 State Budget includes the following significant adjustments affecting California K-12 school districts:

- Local Control Funding Formula - An increase of $6 billion Proposition 98 General Fund to continue the State's transition to the LCFF. This formula commits most new funding to districts serving English language learners, students from low-income families, and youth in foster care. This increase will close the remaining funding implementation gap by more than 51%.

- Career Technical Education - The 2015-16 State Budget establishes the Career Technical Education ("**CTE**") Incentive Grant Program and provides $400 million, $300 million, and $200 million Proposition 98 General Fund in fiscal year 2015-16, fiscal year 2016-17, and fiscal year 2017-18, respectively, for local education agencies to establish new or expand high-quality CTE programs. School districts, county offices of education, and charter schools receiving funding under this program will be required to provide local-to-State matching funds of 1:1 in fiscal year 2015-16, 1.5:1 in fiscal year 2016-17, and 2:1 in fiscal year 2017-18. When determining grant recipients, the Department of Education and the State Board of Education will give priority to grant recipients that: (1) are establishing new programs; (2) serve a large number of English-learner, low-income, or foster youth students; (3) serve pupil groups with higher-than-average dropout rates; or (4) are located in areas of high unemployment.

- Educator Support - An increase of $500 million one-time Proposition 98 General Fund for education support. Of this amount, $490 million is for activities that promote educator quality and effectiveness, including beginning teacher and administrator support and mentoring, support for teachers who have been identified as needing improvement, and professional development that is aligned to the State academic content standards. These funds will be allocated to school districts, county offices of education, charter schools, and State special schools in an equal amount per certificated staff and are available for expenditure over the next three years. Additionally, $10 million is provided for the K-12 High Speed Network to provide professional development and technical assistance to local educational agencies related to network management.

- Special Education - The 2015-16 State Budget includes $60.1 million in Proposition 98 General Fund funding ($50.1 million ongoing and $10 million one-time) to implement selected program changes that improve service delivery and outcomes for all disabled students, with a particular emphasis on early education.

- K-12 High Speed Internet Access - An increase of $50 million in one-time funding to the Proposition 98 General Fund to support additional investments in internet connectivity and infrastructure. This builds on $26.7 million in one-time Proposition 98 funding that was provided in the 2014-15 State Budget to assist local educational agencies with securing required internet connectivity and infrastructure to implement the new computer-adaptive tests administered under Common Core.

- K-12 Deferrals - The 2015-16 State Budget provides $897 million in funding to the Proposition 98 General Fund to eliminate deferrals consistent with the revenue trigger included in the 2014-15 State Budget.

2016-17 Proposed State Budget

On January 7, 2016, Governor Brown presented his proposed budget for the 2016-17 fiscal year (the "**2016-17 Proposed State Budget**") to the State Senate and Assembly. The 2016-17 Proposed State Budget proposes a multiyear plan that is balanced and that, among other items, provides for the following:

- contributions to both state budget reserves: the Special Fund for Economic Uncertainties, the state's discretionary reserve, and the Budget Stabilization Account, the state's constitutional rainy day fund, raising such reserves to $2.2 billion and $8 billion, respectively;

- an increase in funding for K-12 schools of $2.8 billion by raising the funding level under the LCFF to $14,184 per pupil in fiscal year 2015-16 (representing an increase of 5.4 percent over the LCFF funding level for fiscal year 2014-15);

- an increase of more than $1.2 billion in one-time discretionary general funds for school districts, charter schools and county offices of education to use at local discretion;

- a $1.6 billion early education block grant by combining three existing programs to promote local flexibility, focusing on disadvantaged students and improved accountability;

- $807 million for statewide deferred maintenance at levees, state parks, universities, community colleges, prisons, state hospitals, and other state facilities;

- a $3.1 billion cap-and-trade expenditure plan to reduce greenhouse gas emissions; and

- $710 million to pay for the costs of wildfires and for other effects of the drought.

In May 2016, Governor Brown is expected to issue the May Revision to the 2016-17 Proposed State Budget to reflect updated revenue and expenditure estimates.

LAO Budget Overview. On January 11, 2016, the Legislative Analyst's Office (the "**LAO**"), a nonpartisan State office that provides fiscal and policy information and advice to the State Legislature, released its report on the 2016-17 Proposed State Budget entitled, "The 2016-17 Budget: Overview of the Governor's Budget" (the "**2016-17 Proposed Budget Overview**"). In the 2016-17 Proposed Budget Overview, among other items, the LAO commends the State for its emphasis on increasing budget reserves. The LAO believes that this general approach is prudent and is the key to weathering the next recession with minimal disruption to public programs. Though the LAO anticipates the State's economic growth will continue in the near term, the LAO warns that the Proposition 98 minimum guarantee could decrease in fiscal year 2017-18 or future years if stock market prices were to drop or growth in the economy and personal income were to decline. The LAO notes that such a scenario serves as a caution against the State committing all available Proposition 98 funding for ongoing purposes.

Availability of 2015-16 State Budget and 2016-17 Proposed Budget. The complete 2015-16 State Budget and 2016-17 Proposed Budget are available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Certificates.

Uncertainty Regarding Future State Budgets. The District cannot predict what actions will be taken in future years by the State Legislature and the Governor to address the State's current or future changing revenues and expenditures. Future State budgets will be affected by national and state economic conditions and other factors over which the District has no control. The District cannot predict what impact any future budget proposals will have on the financial condition of the District. To the extent that the State budget process results in reduced revenues to the District, the District will be required to make adjustments to its budgets.

Disclaimer Regarding State Budgets. The State has not entered into any contractual commitment with the District, the County, or the Owners of the Certificates to provide State budget information to the District or the owners of the Certificates. Although they believe the State sources of information listed above are reliable, neither the District nor the Underwriter assume any responsibility for the accuracy of the State Budget information set forth or referred to in this Official Statement or incorporated herein. The District cannot predict how the State Budget in future years will impact its general fund revenues.

Ad Valorem Property Taxation

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated 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 County Assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on August 1 and March 1 of each fiscal year. If unpaid, such taxes become delinquent on August 10 and April 10, respectively, and a 10% penalty attaches to any delinquent payment. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5% per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County Treasurer.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent, if unpaid, on August 31. A 10% penalty attaches to delinquent unsecured taxes. If unsecured taxes are unpaid at 5:00 p.m. on October 31, an additional penalty of 1.5% attaches to them on the first day of each month until paid. The taxing authority has four ways of collecting delinquent unsecured personal property taxes: (1) bringing a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a lien on certain property of the taxpayer; (3) filing a certificate of delinquency for record in the County Clerk and County Recorder's office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements, or possessory interests belonging or assessed to the assessee.

Assessed Valuations

Generally. The assessed valuation of property in the District is established by the Santa Clara County Assessor, except for public utility property which is assessed by the State Board of Equalization. Assessed valuations are reported at 100% of the "full value" of the property, as defined in Article XIIIA of the California Constitution. Prior to 1981-82, assessed valuations were reported at 25% of the full value of property. For a discussion of how properties currently are assessed, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." Certain classes of property, such as churches, colleges, not-for-profit hospitals, and charitable institutions, are exempt from property taxation and do not appear on the tax rolls.

Assessed Valuation History. The following table sets forth recent history of the assessed value in the District.

CAMPBELL UNION HIGH SCHOOL DISTRICT
Assessed Valuations
Fiscal Years 2003-04 through 2015-16

Fiscal Year	Local Secured	Utility	Unsecured	Total	% Change
2003-04	$21,079,863,312	$392,406	$883,382,176	$21,963,637,894	--
2004-05	22,264,284,456	476,514	847,926,948	23,112,687,918	5.2
2005-06	24,411,314,978	448,033	890,491,703	25,302,254,714	9.4
2006-07	26,794,338,627	377,790	970,361,462	27,765,077,879	9.7
2007-08	28,886,564,433	53,000	1,057,165,403	29,943,782,836	7.8
2008-09	30,645,386,744	9,267,354	981,209,411	31,635,863,509	5.6
2009-10	30,806,292,973	16,681,366	972,371,229	31,795,345,568	0.5
2010-11	30,359,192,921	6,439,736	865,909,768	31,231,542,425	(1.7)
2011-12	30,764,448,226	16,855,169	885,183,896	31,666,487,291	1.4
2012-13	31,455,287,590	145,750	940,373,912	32,395,807,252	2.3
2013-14	34,309,571,608	145,750	959,185,568	35,268,902,926	8.9
2014-15	36,542,856,277	172,250	952,001,215	37,495,029,742	6.3
2015-16	38,853,368,843	172,250	937,728,760	39,791,269,853	6.1

Source: California Municipal Statistics, Inc.

As indicated in the previous table, assessed valuations are subject to change in each year. Increases or decreases in assessed valuation may result from a variety of factors including but not limited to general economic conditions, supply and demand for real property in the area, government regulations such as zoning, and natural disasters such as earthquakes, fires, floods and droughts. With respect to droughts specifically, the State of California is currently facing water shortfalls, and on January 17, 2014, the Governor declared a state of drought emergency, calling on Californians to conserve water. As part of his declaration, the Governor directed State officials to assist agricultural producers and communities that may be economically impacted by dry conditions. Thereafter, the California State Water Resources Control Board (the "Water Board") issued a statewide notice of water shortages and potential future curtailment of water right diversions. On April 1, 2015, the Governor issued an executive order mandating certain conservation measures including a requirement that the Water Board impose restrictions to achieve a statewide 25% reduction in urban water usage through February 28, 2016. The District cannot predict or make any representations regarding the effects that the current drought has had, or, if it should continue, may have on the value of taxable property within the District, or to what extent the drought could cause disruptions to economic activity within the boundaries of the District.

Assessed Valuation by Land Use. The majority of property within the District is used for residential purposes. The following table shows a breakdown of local secured property assessed value and parcels within the District by land use for fiscal year 2015-16.

CAMPBELL UNION HIGH SCHOOL DISTRICT
Local Secured Property Assessed Valuation and Parcels by Land Use
Fiscal Year 2015-16

Non-Residential:	2015-16 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Agricultural/Rural	$ 6,288,485	0.02%	19	0.03%
Commercial/Office	5,056,224,154	13.01	1,830	2.98
Industrial	702,749,111	1.81	309	0.50
Recreational	13,013,018	0.03	29	0.05
Government/Social/Institutional	382,630,089	0.98	170	0.28
Miscellaneous/Utilities	145,747,192	0.38	163	0.27
Subtotal Non-Residential	$6,306,652,049	16.23%	2,520	4.11%
Residential:				
Single Family Residence	$23,624,181,591	60.80%	44,399	72.35%
Condominium/Townhouse	4,066,682,991	10.47	9,727	15.85
Mobile Home	10,889,326	0.03	125	0.20
2-4 Residential Units	1,708,309,516	4.40	3,267	5.32
5+ Residential Units/Apartments	3,005,450,219	7.74	934	1.52
Subtotal Residential	$32,415,513,643	83.43%	58,452	95.26%
Vacant Parcels	$131,203,151	0.34%	391	0.64%
Total	$38,853,368,843	100.00%	61,363	100.00%

(1) Local Secured Assessed Valuation; excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

Reassessments and Appeals of Assessed Value

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

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

Under California law, property owners may apply for a Proposition 8 reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the County board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value.

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

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

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

No assurance can be given that property tax appeals in the future will not significantly reduce the assessed valuation of property within the District. See "RISK FACTORS – Property Taxes."

Alternative Method of Tax Apportionment—"Teeter Plan"

The County has adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the **"Teeter Plan"**) as provided for in the State Revenue and Taxation Code, which requires the County to pay 100% of secured property taxes due to local agencies in the fiscal year such taxes are due. Under these provisions, each county operating under the Teeter Plan establishes a delinquency reserve and assumes responsibility for all secured delinquencies, assuming that certain conditions are met.

Because of this method of tax collection, the K-12 districts located in counties operating under the Teeter Plan and participating in the Teeter Plan are assured of 100% collection of their secured tax levies if the conditions established under the applicable county's Teeter Plan are met. However, such districts are no longer entitled to share in any penalties due to delinquent payments or in the interest which accrues on delinquent payments.

The Teeter Plan is to remain in effect unless the Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the Board of Supervisors has received a petition for its discontinuance joined in by resolutions adopted by two thirds of the participating revenue districts in the County, in which event the Board of Supervisors is required to order discontinuance of the Teeter Plan effective at the commencement of the subsequent fiscal year.

The Board of Supervisors may, by resolution adopted not later than July 15 of the fiscal year for which it is to apply after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency or assessment levying agency in the County if the rate of secure tax delinquency in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured rolls for that agency. In the event that the Teeter Plan were terminated, the amount of the levy of *ad valorem* taxes in the District would depend upon the collections of the *ad valorem* property taxes and delinquency rates experienced with respect to the parcels within the District. So long as the Teeter Plan remains in effect with respect to the District, the District's receipt of revenues with respect to the levy of *ad valorem* property taxes will not be dependent upon actual collections of the *ad valorem* property taxes by the County.

Largest Secured Property Taxpayers in District

The following table shows the 20 largest secured property taxpayers in the District as determined by secured assessed valuation in fiscal year 2015-16.

CAMPBELL UNION HIGH SCHOOL DISTRICT
Top Twenty Secured Property Taxpayers
Fiscal Year 2015-16

Property Owner	Primary Land Use	2015-16 Assessed Valuation	% of Total (1)
1. FRIT San José Town & Country Village LLC	Shopping Center & Aparts.	$554,946,746	1.43%
2. VF Mall LLC	Shopping Center	486,758,373	1.25
3. CFEP Pruneyard LLC	Shopping Center	219,515,166	0.56
4. Xilinx Inc.	Manufacturing	183,347,115	0.47
5. Tishman Speyer Archstone-Smith	Apartments	177,141,018	0.46
6. Good Samaritan Hospital LP	Hospital	174,267,441	0.45
7. SI 32 LLC	Apartments	141,348,894	0.36
8. Grosvenor International	Shopping Center	137,817,574	0.35
9. Ebay Realty Trust	Office Building	131,150,168	0.34
10. San José Water Works	Water Company	125,076,168	0.32
11. Legacy III Campbell LLC	Office Building	123,857,757	0.32
12. FR Westgate Mall LLC	Shopping Center	117,412,758	0.30
13. TRC El Paseo De Saratoga LLC	Shopping Center	114,034,964	0.29
14. Southwest Expressway Invrs I Ltd.	Apartments	110,860,323	0.29
15. Campbell Technology Pk LLC	Industrial	77,360,019	0.20
16. RP Maximus Pruneyard Owner LLC	Apartments	74,830,815	0.19
17. Samaritan Properties LLC	Office Building	71,007,369	0.18
18. Kimberly Woods REIT Inc.	Apartments	64,971,275	0.17
19. Sobrato Development Co. No. 940 LLC	Apartments	58,517,571	0.15
20. Hamilton Plaza Investors LLC	Shopping Center	54,814,290	0.14
		$3,199,035,804	8.23%

(1) 2015-16 Local Secured Assessed Valuation: $38,853,368,843.
Source: California Municipal Statistics, Inc.

Overlapping Debt Obligations

Set forth below is a direct and overlapping debt report (the "**Debt Report**") prepared by California Municipal Statistics, Inc. and dated February 29, 2016 with respect to debt issued by February 1, 2016. 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.

CAMPBELL UNION HIGH SCHOOL DISTRICT
Statement of Direct and Overlapping Bonded Debt
Dated As of February 1, 2016

2015-16 Assessed Valuation: $39,791,269,853

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 2/1/16
Santa Clara County	10.255%	$ 81,277,685
West Valley-Mission Community College District	35.857	150,576,007
Campbell Union High School District	**100.000**	**142,765,000**(1)
Burbank School District	100.000	9,389,203
Cambrian School District	100.000	51,874,944
Campbell Union School District	100.000	165,271,229
Moreland School District	100.000	123,529,099
Union School District	100.000	86,229,020
City of San José	15.898	60,744,292
City of Saratoga	17.206	1,730,921
Midpeninsula Open Space Park District	2.591	1,165,851
Santa Clara Valley Water District Benefit Assessment District	10.255	10,158,365
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$884,711,616
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Santa Clara County General Fund Obligations	10.255%	$ 70,427,255
Santa Clara County Pension Obligation Bonds	10.255	37,647,104
Santa Clara County Board of Education Certificates of Participation	10.255	742,445
West Valley-Mission Community College District General Fund Obligations	35.857	23,083,188
Campbell Union High School District General Fund Obligations	**100.000**	**7,703,594**
Campbell Union School District General Fund Obligations	100.000	3,345,000
City of Campbell Certificates of Participation	100.000	16,230,843
City of San José General Fund Obligations	15.898	100,907,686
City of Santa Clara General Fund Obligations	2.278	502,279
Midpeninsula Regional Open Space Park District General Fund Obligations	2.591	3,177,874
Santa Clara County Vector Control District Certificates of Participation	10.255	316,359
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$264,083,627
Less: Santa Clara County supported obligations		50,067,150
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$214,016,477
OVERLAPPING TAX INCREMENT DEBT:		$19,380,000
GROSS COMBINED TOTAL DEBT		$1,168,175,243(2)
NET COMBINED TOTAL DEBT		$1,118,108,093

(1) Excludes Certificates to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2015-16 Assessed Valuation:
Direct Debt ($142,765,000).. 0.36%
Total Direct and Overlapping Tax and Assessment Debt 2.22%
Combined Direct Debt ($150,468,594) 0.38%
Gross Combined Total Debt... 2.94%
Net Combined Total Debt.. 2.81%

Ratios to Redevelopment Incremental Valuation ($791,755,536):
Total Overlapping Tax Increment Debt 2.45%

Source: California Municipal Statistics, Inc.

COUNTY INVESTMENT POOL

In accordance with Government Code Section 53600 *et seq.*, the Santa Clara County Treasurer manages funds deposited with it by the District. The County is required to invest such funds in accordance with California Government Code Sections 53601 *et seq.* In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code. For further information concerning County investments, access the County's website at www.countytreasurer.org and access the link to "Financial Information." The information contained in such website has not been reviewed by the District or the Underwriter and is not incorporated in this Official Statement by reference. See also APPENDIX G hereto for a copy of the County's current investment policy and summary of pooled investment fund as of December 31, 2015.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

Articles XIIIA, XIIIB, XIIIC, and XIIID of the State Constitution, Propositions 62, 98, 111, 187 and 218, and certain other provisions of law discussed below, are included in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the District to levy taxes and spend tax proceeds for operating and other purposes.

Constitutionally Required Funding of Education

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

Article XIIIA of the California Constitution

Basic Property Tax Levy. On June 6, 1978, California voters approved Proposition 13 ("**Proposition 13**"), which added Article XIIIA to the State Constitution ("**Article XIIIA**"). Article XIIIA limits the amount of any *ad valorem* tax on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on (i) indebtedness approved by the voters prior to July 1, 1978, (ii) (as a result of an amendment to Article XIIIA approved by State voters on June 3, 1986) on bonded indebtedness for the acquisition or improvement of real property which has been approved on or after July 1, 1978 by two-thirds of the voters on such indebtedness (which provided the authority for the issuance of the 2010 Note), and (iii) (as a result of an amendment to Article XIIIA approved by State voters on November 7, 2000) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition. Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under full cash value, or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership have occurred after the 1975 assessment". This full cash value may be increased at a rate not to exceed 2% per year to account for inflation.

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

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

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

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

Article XIIIB of the California Constitution

Article XIIIB (**"Article XIIIB"**) of the State Constitution, as subsequently amended by Propositions 98 and 111, respectively, limits the annual appropriations of the State and of any city, county, school district, authority or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living and in population and for transfers in the financial responsibility for providing services and for certain declared emergencies. For fiscal years beginning on or after July 1, 1990, the appropriations limit of each entity of government shall be the appropriations limit for the 1986-87 fiscal year adjusted for the changes made from that fiscal year under the provisions of Article XIIIB, as amended.

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

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

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

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

Unitary Property

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

Articles XIIIC and XIIID

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

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

On November 2, 2010, Proposition 26 was approved by State voters, which amended Article XIIIC to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (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.

Article XIIID deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIIIC or XIIID will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Proposition 98

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

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

Proposition 111

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

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

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

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

Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the Legislature. Second, there are excluded any increases in gasoline taxes above the 1990 level (then nine cents per gallon), sales and use taxes on such increment in gasoline taxes, and increases in receipts from vehicle weight fees above the levels in effect on January 1, 1990. These latter provisions were necessary to make effective the transportation funding package approved by the Legislature and the Governor, which expected to raise over $15 billion in additional taxes from 1990 through 2000 to fund transportation programs.

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

School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (the **"first test"**) or (2) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIIIB by reference to *per capita* personal income) and enrollment (the **"second test"**). Under Proposition 111, schools will receive the greater of (1) the first test, (2) the second test, or (3) a third test, which will replace the second test in any year when growth in *per capita* State general fund revenues from the prior year is less than the annual growth in California per capita personal income (the **"third test"**). Under the third test, schools will receive the amount appropriated in the prior year adjusted for change in enrollment and *per capita* State general fund revenues, plus an additional small adjustment factor. If the third test is used in any year, the difference between the third test and the second test will become a "credit" to schools which will be paid in future years when State general fund revenue growth exceeds personal income growth.

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as **"Proposition 39"**) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (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 Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, community college districts, including the District, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1% of the value of property. Prior to the approval of Proposition 39, property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to acquire or improve real property that receive two-thirds voter approval after July 1, 1978.

The 55% vote requirement authorized by Proposition 39 applies only if the local bond measure presented to the voters includes: (1) a requirement that the bond funds can be used only for construction, rehabilitation, equipping of school facilities, or the acquisition or lease of real property for school facilities; (2) a specific list of school projects to be funded and certification that the school board has evaluated safety, class size reduction, and information technology needs in developing the list; and (3) a requirement that the school board conduct annual, independent financial and performance audits until all bond funds have been spent to ensure that the bond funds have been used only for the projects listed in the measure. Legislation approved in June 2000 places certain limitations on local school bonds to be approved by 55% of the voters. These provisions require that the tax rate levied as the result of any single election be no more than $60 (for a unified school district), $30 (for an elementary school district or high school district), or $25 (for a community college district), per $100,000 of taxable property value. These requirements are not part of this proposition and can be changed with a majority vote of both houses of the Legislature and approval by the Governor.

Proposition 1A and Proposition 22

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

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

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

Proposition 30

Proposition 30 appeared on the November 6, 2012 statewide ballot as an initiated constitutional amendment (**"Proposition 30"**), and it was approved by State voters. Proposition 30 increased the State sales tax from 7.25 percent to 7.50 percent, increased personal income tax rates on higher income brackets for seven years, and temporarily imposed an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposed an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017. This excise tax is levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increased the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for joint filers).

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

Future Initiatives and Changes in Law

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the California Constitution and Propositions 98, 111, 1A, 22, 26, 30 and 39 were each adopted as measures that qualified for the ballot under the State's initiative process. From time to time other initiative measures or other legislative enactments 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.

RISK FACTORS

The following factors, along with all other information in this Official Statement, should be considered by potential investors in evaluating the Certificates. The discussion does not purport to be, nor should it be construed to be, complete nor a summary of all factors which may affect the financial condition of the District, the District's ability to make Lease Payments in the future, or the effectiveness of any remedies that the Trustee may have or circumstances under which Lease Payments may be abated.

No Pledge of Taxes

The Lease Payments and other payments due under the Lease Agreement are not secured by any pledge of taxes or other revenues of the District, except, however, the pledge of Tax Increment described herein. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Lease Payments - Tax Increment. The Lease Payments are secured by a District covenant to annually budget and appropriate sufficient funds to make Lease Payments from any lawfully available funds, including the general fund. In the event that the District's general fund revenues are less than its total obligations, the District may choose to pay other costs or expenses before making the Lease Payments.

The obligation of the District to pay the Lease Payments and Additional Rental Payments does not constitute an obligation of the District for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. The obligation of the District to pay Lease Payments and Additional Rental Payments does not constitute a debt or indebtedness of the Corporation, the District, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Lease Agreement to pay Lease Payments and Additional Rental Payments from any source of legally available funds (subject to certain exceptions) and the District has covenanted in the Lease Agreement that, for as long as the Leased Property is available for its use and possession, it will make the necessary annual appropriations within its budget for all Lease Payments and Additional Rental Payments. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES."

In addition, although pursuant to the Lease Agreement the District has covenanted to budget and appropriate funds sufficient to pay Lease Payments from Tax Increment, which the District accounts for within the General Fund in its Local Revenue Fund as Community Redevelopment Funds, the District cannot provide any assurance regarding the length of time and amount such revenues will be available to it. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES - Lease Payments - Tax Increment."

The District is currently liable on other obligations payable from general revenues and may incur additional obligations payable from its general fund.

Additional Obligations of the District

The District has existing obligations payable from its general fund. See "DISTRICT FINANCIAL INFORMATION – Long Term District Debt - Long Term Lease Obligations." In addition, under the Lease Agreement the District is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of owners of the Certificates. To the extent that additional obligations are incurred by the District, the funds available to pay Lease Payments may be decreased.

Limited Recourse on Default

Whenever any event of default referred to in the Lease Agreement happens and continues, the Trustee, as the assignee of the Corporation, is authorized under the terms of the Lease Agreement to exercise any and all remedies available under law or granted under the Lease Agreement.

Notwithstanding a default under the Lease Agreement, there is no right under any circumstances to accelerate the Lease Payments or otherwise declare any Lease Payments not then due or past due to be immediately due and payable. Neither the Corporation nor the Trustee has any right to re-enter or re-let the Leased Property except following the occurrence and during the continuation of an event of default under the Lease Agreement.

Following an event of default, the Corporation may elect either to terminate the Lease Agreement and seek to collect damages from the District or to maintain the Lease Agreement in effect and seek to collect the Lease Payments as they become due. The Lease Agreement further provides that so long as an event of default exists under the Lease Agreement, the Corporation, or its assignee, may re-enter the Leased Property for the purpose of taking possession of all or any portion of the Leased Property and to re-let the Leased Property and, in addition, at its option, with or without such entry, to terminate the Lease Agreement as described therein. See "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement."

No assurance can be given that the Trustee will be able to re-let the Leased Property so as to provide rental income sufficient to pay principal and interest evidenced by the Certificates in a timely manner or that such re-letting will not adversely affect the exclusion of interest with respect thereto from gross income for federal or State income tax purposes. Furthermore, it is not certain whether a court would permit the exercise of the remedies of repossession and re-letting with respect to the Leased Property.

In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease Agreement and the Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Certificates or pay debt service with respect thereto. The District will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

The obligation of the District under the Lease Agreement to pay Lease Payments is in consideration of the use and possession of the Leased Property.

Under certain circumstances relating to damage, destruction, condemnation or title defects with respect to the Leased Property which cause a substantial interference with the use and possession of the Leased Property, the District's obligation to make Lease Payments is subject to full or partial abatement and could result in the Trustee having inadequate funds to pay the principal and interest with respect to the Certificates as and when due. See "SECURITY AND SOURCES OF PAYMENT FOR THE CERTIFICATES – Abatement" and "APPENDIX A – SUMMARY OF CERTAIN PROVISIONS PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement." Abatement is not a default under the Lease Agreement and does not result in the Trustee having the right to take any action to avail itself of any remedy against the District.

Property Taxes

Levy and Collection. The District does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the District's share of local property tax revenues, and accordingly, could have an adverse impact on the ability of the District to make Lease Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the District's ability to pay principal and interest with respect to the Certificates when due.

Reduction in Inflationary Rate. Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining assessed value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS." Such measure is computed on a calendar year basis. Because Article XIIIA limits inflationary assessed value adjustments to the lesser of the actual inflationary rate or 2%, there have been years in which the assessed values were adjusted by actual inflationary rates, which were less than 2%. The District is unable to predict if any adjustments to the full cash value base of real property within the District, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

> Proposition 8 Appeals. Most of the appeals that might be filed in the District would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must be the lesser of its base year value annually adjusted by the inflation factor pursuant to Article XIIIA of the State Constitution or its full cash value, taking into account reductions in value due to damage, destruction, depreciation, obsolescence, removal of property or other factors causing a decline in value.
>
> Under California 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. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. However, current case law is uncertain as to whether or not property may be adjusted to its prior value at once or if adjustments may only be made subject to the 2% limitation. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIA of the California Constitution – Litigation Regarding 2% Limitation."

<u>Base Year Appeals</u>. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their 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.

No assurance can be given that property tax appeals in the future will not significantly reduce the District's property tax revenues.

Local Housing Market. Economic downturns, as those that have been experienced in recent years on a national scale, can have a negative impact on local property values, in part due to fallout from the subprime mortgage crisis, tight credit markets and the recession. High rates of foreclosures tend to depreciate values of homes in the overall market, which could lead to more Proposition 8 appeals. Although the District's total assessed valuation is again increasing, it is not possible to predict how a future mortgage crisis, tightening credit markets, increased foreclosure activity and major reductions in home prices throughout the region could affect home values, assessed values, assessment appeals or collections of property taxes by the County.

State Budget Considerations

School districts in California receive a significant amount of their funding from State appropriations, as determine din each year's State budget. As a result, decreases in State revenue sources may impact the amount of funds appropriated to school districts, as has occurred in recent years. A deterioration in the State's economy due to factors such as reduced income tax revenues and sales tax revenues can negatively impact the State budget and the District's revenues, and therefore funds available to make Lease Payments. In addition, the State legislature has at times adopted legislation in connection with its annual budgets which may impact education funding, and may do so again in the future. The District cannot predict how State budgets and future legislation may impact its finances.

Absence of Earthquake and Flood Insurance

If any portion of the Leased Property is destroyed or rendered useless by a natural hazard such as an earthquake or flood, an abatement could occur and result in the Trustee having inadequate funds to pay the principal and interest represented by the Certificates as and when due. The Lease Agreement does not require the District to obtain earthquake or flood insurance on the Leased Property.

All building components of the Leased Property were constructed under the standards of the "Field Act" (California State Building Code, Title 24). The Field Act requires substantially higher construction standards for public schools and hospitals than are required for other types of construction. The Field Act requires that building systems be capable of withstanding seismic forces from the "most credible" earthquake likely to occur in the vicinity of the building system being constructed.

Limitations on Remedies; Bankruptcy

The rights of the owners of the Certificates are subject to the limitations on legal remedies against municipalities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Certificates, and enforcement of the District's obligations under the Lease Agreement, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor's rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State.

Bankruptcy proceedings under Chapter 9 of the Bankruptcy Code (Title 11, United States Code), which governs the bankruptcy proceedings for public agencies such as the District, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Certificates 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. See "– Limited Recourse on Default" above.

LEGAL OPINION

The proceedings in connection with the authorization, sale, execution and delivery of the Certificates are subject to the approval as to their legality of Jones Hall, A Professional Law Corporation, San Francisco, California ("**Special Counsel**"). A copy of the legal opinion, certified by the official in whose office the original is filed, will be attached to each Certificate, and a form of such opinion is attached as Appendix D. Jones Hall, A Professional Law Corporation, San Francisco, California, is acting as Disclosure Counsel to the District (**"Disclosure Counsel"**). Norton Rose Fulbright US LLP is serving as counsel to the Underwriter (**"Underwriter's Counsel"**).

The fees of Special Counsel, Disclosure Counsel, the Trustee, the Escrow Agent, the Underwriter and Underwriter's Counsel are contingent upon the execution and delivery of the Certificates.

FINANCIAL ADVISOR

Isom Advisors, A Division of Urban Futures, Inc., Walnut Creek, California, is acting as the District's financial advisor in connection with the Certificates. The Financial Advisor is a registered "Municipal Advisor" with the Securities Exchange Commission and the Municipal Securities Rulemaking Board. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement. The fees of the Financial Advisor with respect to the Certificates are contingent upon their sale and delivery. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

TAX MATTERS

Tax Exemption

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Special Counsel, subject, however to the qualifications set forth below, under existing law, the portion of lease payments designated as and comprising interest and received by the Owners of the Certificates is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the **"Tax Code"**) that must be satisfied subsequent to the issuance of the Certificates. The District has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest with respect to the Certificates in gross income for federal income tax purposes to be retroactive to the date of issuance of the Certificates.

If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Certificate is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Certificate on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such Certificates to determine taxable gain upon disposition (including sale, prepayment, or payment on maturity) of such

Certificate. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Certificates who purchase the Certificates after the initial offering of a substantial amount of such maturity. Owners of such Certificates should consult their own tax advisors with respect to the tax consequences of ownership of Certificates with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Certificates under federal individual and corporate alternative minimum taxes.

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

California Tax Status. In the further opinion of Special Counsel, the portion of lease payments designated as and comprising interest and received by the owners of the Certificates is exempt from California personal income taxes.

Form of Opinion. A copy of the proposed form of opinion of Special Counsel is attached hereto as Appendix D.

Other Tax Considerations

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

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest with respect to the Certificates to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the Certificates. Prospective purchasers of the Certificates should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Counsel expresses no opinion.

NO LITIGATION

There is no action, suit or proceeding known to be pending, or threatened, restraining or enjoining the execution or delivery of the Certificates, the Trust Agreement, the Lease, the Site Lease, the Assignment Agreement or any other document relating to the Certificates or in any way contesting or affecting the validity of the foregoing.

There are a number of lawsuits and claims pending against the District which have arisen in the regular course of administering the affairs of the District. In the opinion of the District, such suits and claims as are presently pending will not have a material adverse effect on the ability of the District to make Lease Payments with respect to the Certificates.

ESCROW VERIFICATION

Causey Demgen & Moore P.C., Denver, Colorado (the **"Verification Agent"**), upon delivery of the Certificates, will deliver a report of the mathematical accuracy of certain computations, contained in schedules provided to them on behalf of the District, relating to the sufficiency of the anticipated amount of proceeds of the Certificates and other funds deposited into the Escrow Fund and available to pay, when due, the principal, whether at maturity or upon prior prepayment, interest and prepayment premium requirements of the 2011 Lease.

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

RATING

Moody's Investors Service, a subsidiary of Moody's Corporation (**"Moody's"**) has assigned a rating of "Aa3" to the Certificates. There is no assurance that the credit rating given to the Certificates will be maintained for any period of time or that the rating may not be lowered or withdrawn entirely by Moody's if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Certificates. Such rating reflects only the views of Moody's and an explanation of the significance of such rating may be obtained from the rating agency.

CONTINUING DISCLOSURE

The District has covenanted, for the benefit of holders and beneficial owners of the Certificates to provide certain financial information and operating data relating to the District to the Municipal Securities Rulemaking Board on an annual basis (an **"Annual Report"**) not later than nine months after the end of the District's fiscal year (which currently would be March 31), commencing March 31, 2017, with the report for the 2015-16 Fiscal Year, and to provide notices of the occurrence of certain enumerated events. The first Annual Report filing shall be satisfied with the filing of this Official Statement. The Annual Report and other required notices will be filed by the District with the Municipal Securities Rulemaking Board (the "**MSRB**") in the manner prescribed by the Securities Exchange Commission. The specific nature of such information is set forth below under the caption APPENDIX E – "Form of Continuing Disclosure Certificate." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5) (the **"Rule"**).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with the issuance of other outstanding general obligation bonds and refunding general obligation bonds. See information under the heading "-Long Term District Debt." During the previous five years, specific instances of non-compliance with prior undertakings (which shall not be construed as an acknowledgment that any such non-compliance was material) include: (1) Financial Security Assurance (succeeded by Assured Guaranty Municipal Corp.), Financial Guaranty Insurance Company (succeeded by MBIA Corp., which was succeeded by National Public Finance Guarantee Corporation), and Assured Guaranty Municipal Corp., which provide bond insurance for outstanding issues of the District's general obligation bonds issued in 2005, 2007 and 2008, respectively, were subject to rating upgrades and downgrades, and the District filed corresponding notices of rating changes, but such notices might not have been filed in a timely manner, (2) rating change notices for the District were not filed in a timely manner, (3) with respect to the District's annual report filings, the 2009 and 2010 audits were filed after the March 31, 2010 and March 31, 2011 deadlines, respectively, and no notice of failure to file was provided, and (4) certain supplemental information which was required to be provided if not included in the audits was not provided in a supplemental report at the time the audits were filed.

In order to assist it in complying with its disclosure undertakings for its outstanding bonds and the Certificates, the District has engaged a third party dissemination agent with respect to its each of its disclosure undertakings, including the Continuing Disclosure Certificate to be executed in connection with the Certificates.

The District elected to participate in the Securities and Exchange Commission's Municipalities Continuing Disclosure Cooperation Initiative (the **"Initiative"**) prior to the December 1, 2014 filing deadline. The purpose of the Initiative is to encourage issuers and underwriters of municipal securities to self-report possible violations involving materially inaccurate statements relating to prior compliance with their continuing disclosure undertakings.

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

UNDERWRITING

The Certificates are being purchased by RBC Capital Markets, LLC (the "**Underwriter**"). Under a Certificate Purchase Agreement (the "**Certificate Purchase Agreement**"), the Underwriter has agreed to purchase the Certificates at a purchase price of $15,840,547.55 (which is equal to the principal amount represented by the Certificates, plus original issue premium of $743,790.05, less an Underwriter's discount of $68,242.50). The Purchase Agreement provides that the Underwriter will purchase all of the Certificates (if any are purchased), and the Underwriter's obligation to purchase is subject to certain terms and conditions, including the approval of certain legal matters by counsel.

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

The Underwriter has provided the following for inclusion in this Official Statement:

The Underwriter and its affiliates are full-service financial institutions engaged in various activities, that may include securities trading, commercial and investment banking, municipal advisory, brokerage, and asset management. In the ordinary course of business, the Underwriter and its affiliates may actively trade debt and, if applicable, equity securities (or related derivative securities) and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriter and its affiliates may engage in transactions for their own accounts involving the securities and instruments made the subject of this securities offering or other offering of the District. The Underwriter and its affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of the offering of the Certificates or other offerings of the District; provided, however, that potential investors are advised that the offering of the Certificates is made only by means of the Official Statement. No dealer, broker, salesperson or other person has been authorized by the District to give any information or to make any representation other than as contained in the Official Statement.

EXECUTION

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

CAMPBELL UNION HIGH SCHOOL DISTRICT

By: */s/ Brett W. McFadden*
Assistant Superintendent,
Chief Business Officer

APPENDIX A

SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS

The following is a brief summary of certain provisions of the Site Lease, the Lease Agreement, the Trust Agreement, and the Assignment Agreement. This summary is not intended to be definitive and is qualified in its entirety by reference to such documents for the complete terms thereof. Copies of such documents are available upon request from the Campbell Union High School District.

DEFINED TERMS

The following terms have the following meanings, notwithstanding that any such terms may be elsewhere defined in this Official Statement. Any terms not expressly defined in this Summary but previously defined in this Official Statement have the respective meanings previously given.

"Bond Counsel" means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys of nationally recognized expertise with respect to legal matters relating to obligations the interest on which is excludable from gross income under Section 103 of the Tax Code.

"Business Day" means a day other than a Saturday, Sunday or legal holiday, on which banking institutions are not closed in the State of California or in any state in which the Office of the Trustee is located.

"Closing Date" means the day when the Certificates, duly executed by the Trustee, are delivered to the original purchaser thereof.

"Completion Date" means, with respect to the Project, the date identified as the date of completion thereof in the written certificate of a District Representative under the Lease.

"Escrow Agreement" means the Escrow Agreement dated as of the Closing Date, between the District and the Escrow Bank, relating to the deposit, investment and application of funds for the purpose of prepaying and discharging the 2011 Lease Payments.

"Escrow Bank" means U.S. Bank National Association, its successor and assigns, acting as escrow bank under the Escrow Agreement.

"Event of Default" means any one or more of the events which are defined to be events of default under the Lease Agreement.

"Federal Securities" means: (a) any direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), the payment of principal of and interest on which are unconditionally and fully guaranteed by the United States of America; and (b) any obligations the principal of and interest on which are unconditionally guaranteed by the United States of America.

"Fiscal Year" means the twelve-month period beginning on July 1 of any year and ending on June 30 of the next succeeding year, or any other twelve-month period by the District as its fiscal year under written notice filed with the Trustee.

"Lease Payment Date" means, with respect to any Interest Payment Date, the 5th Business Day preceding such Interest Payment Date.

"Leased Property" means all of the land which is more particularly described in Appendix A to the Lease Agreement, consisting generally of the land and improvements constituting the District's administration and operations facility, located on adjoining parcels at 2225 Camden Avenue, San Jose, California and 3235 Union Avenue, San Jose, California. If the District exercises its option under the Lease with respect to the substitution of property or its option under the Lease Agreement with respect to the release of property, the term "Leased Property" will thereupon be modified accordingly.

"Moody's" means Moody's Investors Service, of New York, New York, its successors and assigns.

"Net Proceeds" means any insurance proceeds or eminent domain award (including any proceeds of sale to a governmental entity under threat of the exercise of eminent domain powers), paid with respect to the Leased Property, to the extent remaining after payment therefrom of all expenses incurred in the collection thereof.

"Office" means the corporate trust office of the Trustee in San Francisco, California, provided that for purposes of payment, prepayment, exchange, transfer, exchange, surrender and cancellation of Certificates, such term means the corporate trust office of the Trustee in St. Paul, Minnesota, or such other or additional offices as the Trustee may designate in writing to the Corporation from time to time as the corporate trust office for purposes of the Trust Agreement.

"Owner", when used with respect to a Certificate, means the person in whose name the ownership of such Certificate is registered on the registration books maintained by the Trustee.

"Permitted Encumbrances" means, as of any time: (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or which the District may permit to remain unpaid under the Lease Agreement; (b) the Site Lease, the Lease Agreement and the Assignment Agreement; (c) any right or claim of any mechanic, laborer, materialman, supplier or vendor which is secured by a lien on the Leased Property; (d) the exceptions disclosed in the title insurance policy with respect to the Leased Property issued as of the Closing Date by Stewart Title Guaranty Company; and (e) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions which exist of record and which the District certifies in writing will not materially impair the use of the Leased Property for its intended purposes.

"Permitted Investments" means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein (the Trustee entitled to rely upon the investment direction of the District as a determination that such investment is such a legal investment):

(a) Federal Securities.

(b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: Export-Import Bank, Farmers Home Administration, General Services Administration, U.S. Maritime Administration, Small Business Administration, Government National Mortgage Association, U.S. Department of Housing & Urban Development, and Federal Housing Administration;

(c) bonds, notes or other evidences of indebtedness rated Aa or better by Moody's, issued by Fannie Mae or the Federal Home Loan Mortgage Corporation with remaining maturities not exceeding three years;

(d) U.S. dollar denominated deposit accounts (including those with the Trustee), federal funds and banker's acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of rated P-2 or better by Moody's, maturing no more than 360 days after the date of purchase;

(e) certificates of deposit issued by federal or State chartered savings and loan associations or in federal or State banks (including the Trustee and its affiliates) which are secured at all times by collateral described in the foregoing clauses (a) or (b) of this definition;

(f) commercial paper which is rated at the time of purchase in the single highest classification, rated P-2 or better by Moody's, which matures not more than 270 days after the date of purchase;

(g) investments in a money market fund rated Aa-mf or better by Moody's, which may include funds for which the Trustee or its affiliates provide investment advisory or other management services;

(h) bonds or notes issued by an state or municipality which are rated Aa or better by Moody's;

(i) the Local Agency Investment Fund which is administered by the California Treasurer for the investment of funds belonging to local agencies within the State of California, provided for investment of funds held by the Trustee, the Trustee is entitled to make investments and withdrawals in its own name as Trustee.

"Project" means the acquisition and construction of heating, ventilation and air conditioning improvements at various educational facilities of the District. The District reserves the right to amend the description and scope of the Project from time to time in its sole discretion.

"Project Costs" means, with respect to the Project, all costs of the acquisition and construction thereof which are paid from moneys on deposit in the Project Fund, including but not limited to:

(a) all costs required to be paid to any person under the terms of any agreement for or relating to the acquisition and construction of the Project;

(b) obligations incurred for labor and materials in connection with the acquisition and construction of the Project;

(c) the cost of performance or other bonds and any and all types of insurance that may be necessary or appropriate to have in effect in connection with the acquisition and construction of the Project;

(d) all costs of engineering, architectural services and other preliminary investigation expenses, including the actual out-of-pocket costs for site investigations, surveys, hazardous materials investigations, test borings, surveys, estimates, plans and specifications and preliminary investigations therefor, development fees, sales commissions, and for supervising construction, as well as for the performance of all other duties required by or consequent to the proper acquisition and construction of the Project;

(e) any sums required to reimburse the Corporation or the District for advances made for any of the above items or for any other costs incurred and for work done, including but not limited to administrative costs of the Corporation or the District, which are properly chargeable to the acquisition and construction of the Project;

(f) all financing costs incurred in connection with the acquisition and construction of the Project, including but not limited to Costs of Issuance and other costs incurred in connection with the Trust Agreement and the financing of the Project; and

(g) the interest components of the Lease Payments prior to the Completion Date.

"Reserve Insurer" means Build America Mutual Assurance Company, its successors and assigns, as issuer of the Reserve Policy.

"Reserve Policy" means the Municipal Bond Debt Service Reserve Insurance Policy issued by the Reserve Insurer for the credit of the Reserve Fund.

"Reserve Requirement" means, as of the date of calculation thereof, an amount equal to $1,516,500.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced in the Trust Agreement) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"2011 Lease Payments" means the amounts payable by the District as semiannual lease payments under that certain Lease Agreement dated as of July 1, 2011, between the Corporation as lessor and the District as lessee, relating to the financing of certain photovoltaic solar shade structures in parking lots at seven District sites.

SITE LEASE

Under the Site Lease, the District leases the Leased Property to the Corporation for the purpose of providing funds to finance the Project and refinance the 2011 Lease Payment through the execution and delivery of the Certificates. The Site Lease is for a term commencing on the Closing Date and extending to the date on which no Certificates remain outstanding under the Trust Agreement, but not later than 10 years following the final stated maturity date of the Certificates. The Corporation agrees to pay an amount to the District as rental of the Leased Property thereunder, to be funded on the Closing Date from the proceeds of the Certificates. The District will apply the amount of such rental payment to (a) finance the construction of the Project in accordance with the Lease and the Trust Agreement, and (b) refinance the 2011 Lease Payments in accordance with the Escrow Agreement and the Trust Agreement. Upon the termination of the Site Lease, the Corporation will surrender the Leased Property to the District in the same good order and condition as the Leased Property was in at the time of commencement of the Site Lease, reasonable wear and tear excepted, and all buildings, improvements and structures then existing upon the Leased Property will remain thereon and title thereto will vest in the District for no additional consideration.

LEASE AGREEMENT

Construction of the Project

The District will enter into, administer and enforce all purchase orders or other contracts relating to the acquisition and construction of the Project. The District will requisition the payment of Project Costs from amounts held by it in the Project Fund. All contracts for, and all work relating to, the acquisition and construction of the Project are subject to all applicable provisions of law relating to the acquisition, construction, improvement, and equipping of like facilities and property by the District. The District will supervise and undertake to completion the acquisition and construction of the Project in accordance with the plans and specifications, purchase orders, construction contracts and other documents relating thereto and approved by the District under all applicable requirements of law.

The failure by the District to complete the acquisition and construction of the Project by the expected Completion Date will not constitute an Event of Default or a grounds for termination thereof. Within 30 days following the completion of the Project, the District will execute and deliver to the Corporation and the Trustee a written certificate which states that the acquisition and construction of the Project have been substantially completed, and identifies the total Project Costs which have been or will be paid from the Project Fund.

Lease of Leased Property

Under the Lease Agreement, the Corporation leases the Leased Property to the District. The Lease Agreement commences on the Closing Date and terminates on the date on which the Certificates are paid or deemed to have been paid in full, except under certain circumstances such as the taking of all or any portion of the Leased Property in eminent domain proceedings. Under any circumstances, the Lease Agreement terminates 10 years following the final stated maturity date of the Certificates.

Lease Payments

The District agrees to pay semiannual Lease Payments, subject to abatement as described below, as the rental for the use and occupancy of the Leased Property under the Lease Agreement. On each Lease Payment Date, the District is required to deposit with the Trustee the full amount of the Lease Payments coming due and payable on the next Interest Payment Date, to the extent required to be paid by the District under the Lease Agreement. Any amount on deposit in the Lease Payment Fund on any Lease Payment Date will be credited towards the payment then required to be deposited by the District with the Trustee.

The District is required to pay the Lease Payments from any source of available funds, subject to the provisions of the Lease Agreement relating to abatement due to damage or eminent domain with respect to the Leased Property. The District agrees to take such actions as may be necessary to include all Lease Payments required to be paid by it under the Lease Agreement in its annual budgets and to appropriate such Lease Payments in each Fiscal Year during the term of the Lease Agreement.

Abatement of Lease Payments

The Lease Payments are subject to abatement under the Lease Agreement during any period in which due to damage or destruction of the Leased Property in whole or in part, due to material title defect in any portion of the Leased Property or due to taking in eminent domain proceedings of the Leased Property in whole or in part, there is substantial interference with the District's use and occupancy of all or any portion of the Leased Property. The amount of such abatement will be determined by the District such that the resulting Lease Payments represent fair consideration for the use and occupancy of the portions of the Leased Property not damaged or destroyed. In the event of such abatement, the District will have no obligation to pay abated Lease Payments and there is no remedy available to Certificate Owners arising from such abatement.

Additional Rent

In addition to the Lease Payments, the District agrees to pay when due, as additional rental for the Leased Property, all costs and expenses incurred by the Corporation to comply with the provisions of the Trust Agreement and amounts due and owing to the Trustee. Such additional payments include amounts which are due and payable to the Reserve Insurer with respect to the Reserve Policy.

Title

At all times during the term of the Lease Agreement, the District will hold title to the Leased Property, subject to the provisions of the Site Lease, the Lease Agreement and other Permitted Encumbrances.

Substitution of Property

The District may at any time and from time to time, substitute other real property (the "Substitute Property") for the Leased Property or any portion thereof (the "Former Property"), under the Site Lease and the Lease Agreement, upon satisfaction of the requirements set forth in the Lease Agreement, including the following:

(a) The District must obtain a CLTA policy of title insurance insuring the District's leasehold estate in the Substitute Property, subject only to Permitted Encumbrances, in an amount at least equal to the estimated value thereof;

(b) The District must certify in writing to the Corporation and the Trustee that the Substitute Property serves the educational purposes of the District and constitutes property which the District is permitted to lease under the laws of the State of California, and has been determined to be essential to the proper, efficient and economic operation of the District and to serve an essential governmental function of the District;

(c) The District must certify in writing to the Corporation and the Trustee that the estimated value and the fair rental value of the Substitute Property are at least equal to the estimated value and the fair rental value, respectively, of the Former Property, and that the useful life of the Substitute Property at least equals the lesser of (i) the useful life of the Former Property, or (ii) the final Lease Payment Date; and

(d) The District must mail written notice of such substitution to each rating agency which then maintains a rating on the Certificates.

Upon the satisfaction of all such conditions precedent, the term of the Lease Agreement will thereupon end as to the Former Property and commence as to the Substitute Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of the substitution.

Release of Property

The District has the option at any time and from time to time to release any portion of the Leased Property from the Lease Agreement and the Site Lease (the "Released Property"), upon satisfaction of the requirements set forth in the Lease Agreement, including the following:

(a) The District must certify in writing to the Corporation and the Trustee that the estimated value of the property which remains subject to the Lease Agreement and the Site Lease following such release is at least equal to the aggregate original principal amount of the Certificates, and the fair rental value of the property which remains subject to the Lease Agreement and the Site Lease following such release is at least equal to the Lease Payments thereafter coming due and payable under the Lease Agreement.

(b) The District must mail written notice of such release to each rating agency which then maintains a rating on the Certificates.

Upon the satisfaction of all such conditions precedent, the term of the Lease Agreement will thereupon end as to the Released Property. The District is not entitled to any reduction, diminution, extension or other modification of the Lease Payments whatsoever as a result of such release.

Maintenance, Utilities, Taxes and Modifications

The District, at its own expense, has agreed to maintain or cause to be maintained the Leased Property in good repair; the Corporation has no responsibility for such maintenance. The District is also obligated to pay all taxes and assessments charged to the Leased Property. The District has the right under the Lease Agreement to remodel the Leased Property and to make additions, modifications and improvements to the Leased Property, so long as those additions, modifications and improvements are of a value which is not substantially less than such value of the Leased Property immediately prior to making the additions, modifications and improvements. The District will not permit any mechanic's or other lien to be established or to remain against the Leased Property, except that the District has the right in good faith to contest any such lien.

Insurance

The Lease Agreement requires the District to maintain or cause to be maintained the following insurance against risk of physical damage to the Leased Property and other risks for the protection of the Certificate Owners, the Corporation and the Trustee:

> <u>Public Liability and Property Damage Insurance</u>. The District is required to maintain or cause to be maintained throughout the term of the Lease Agreement, but only if and to the extent available from reputable insurers at reasonable cost in the reasonable opinion of the District, a standard comprehensive general insurance policy or policies in protection of the Corporation, the District, and their respective members, officers, agents, employees and assigns. Said policy or policies must provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the operation of the Leased Property. Such policy or policies must provide coverage in such liability limits and be subject to such deductibles as the District deems adequate and prudent. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of self-insurance by the District, or in the form of the participation by the District in a program of pooled insurance. The proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which the proceeds of such insurance have been paid.
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> <u>Fire and Extended Coverage Insurance</u>. The District is required to maintain, or cause to be maintained, throughout the term of the Lease Agreement, casualty insurance against loss or damage to all buildings which constitute a part of the Leased Property, in an amount at least equal to the lesser of (a) 100% of the replacement value of the insured buildings, or (b) 100% of the aggregate principal amount of the outstanding Certificates. Such insurance must, as nearly as practicable, cover loss or damage by fire, explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance, and must include earthquake coverage if such coverage is available at reasonable cost from reputable insurers in the reasonable determination of the District, whose determination is final and conclusive. Such insurance may be subject to such deductibles as the District deems prudent. Such insurance may be maintained as part of or in conjunction

with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of any such insurance will be deposited by the Trustee in the Insurance and Condemnation Fund and applied at the election and direction of the District either to the repair or reconstruction of the damaged property or to the prepayment of the Lease Payments and the corresponding prepayment of outstanding Certificates.

Rental Interruption Insurance. The District is required to maintain, throughout the term of the Lease Agreement, rental interruption or use and occupancy insurance to cover loss, total or partial, in an amount at least equal to the maximum Lease Payments coming due and payable during any two consecutive future Fiscal Years, as a result of any of the hazards covered in the fire and extended coverage insurance described above. Such insurance may be maintained as part of or in conjunction with any other insurance coverage carried by the District, and may be maintained in whole or in part in the form of the participation by the District in a joint powers authority or other program providing pooled insurance; provided that such insurance may not be maintained by the District in the form of self-insurance. The Net Proceeds of such insurance will be paid to the Trustee and deposited in the Lease Payment Fund, and will be credited towards the payment of the Lease Payments which would otherwise be abated as a result of insured damage to or destruction of the Leased Property.

Title Insurance. On or before the Closing Date the District will, at its expense, (a) cause the Assignment Agreement, the Site Lease and the Lease Agreement, or a memorandum thereof in form and substance approved by Bond Counsel, to be recorded in the office of the Santa Clara County Recorder with respect to the Leased Property, and (b) obtain a CLTA title insurance policy from Stewart Title Guaranty Company insuring the District's leasehold estate in the Leased Property, subject only to Permitted Encumbrances, in an amount equal to the aggregate original principal amount of the Certificates. All Net Proceeds received under such title insurance policy will be deposited by the Trustee in the Lease Payment Fund and be credited towards the prepayment of the remaining Lease Payments.

All policies of insurance (other than the policy of public liability and property damage insurance) must provide that the Net Proceeds thereof are payable to the Trustee for application as provided in the Lease Agreement and the Trust Agreement. If any policy of public liability insurance is provided in the form of self-insurance by the District, the District must establish an insurance reserve for that purpose in an amount determined to be actuarially sound, and the District is not obligated to make any payment with respect to any insured event except from such reserves.

Prepayment of Lease Payments

The District has the option to prepay the Lease Payments or post a security deposit to pay the Lease Payments, in whole or in part, in the amounts and on the dates set forth in the Lease Agreement. The optional prepayment dates and prices have been determined to correspond to the optional prepayment dates and prices applicable to the Certificates under the

Trust Agreement. Any security deposit must be in an amount which, together the earnings thereon derived from investment in Federal Securities, is sufficient to pay the Lease Payments (or portion thereof) when due, and must be verified by an independent accountant.

Assignment; Subleases

The Corporation has assigned certain of its rights under the Lease Agreement to the Trustee under the Assignment Agreement, including but not limited to its rights to receive the Lease Payments. The District may not assign any of its rights in the Lease Agreement. The District may sublease all or a portion of the Leased Property only with the prior written consent of the Corporation, and only under the conditions contained in the Lease Agreement, including the condition that such sublease does not cause the interest component of the Lease Payments to become subject to federal or State of California personal income taxes.

Amendment of Lease Agreement

The Corporation and the District may at any time amend or modify any of the provisions of the Lease Agreement, but only: (a) with the prior written consents of the Owners of a majority in aggregate principal amount of the outstanding Certificates; or (b) without the consent of any of the Certificate Owners, if such amendment or modification is for any one or more of the following purposes:

(a) to incorporate additional covenants and agreements of the District or to limit or surrender any rights or power therein reserved to or conferred upon the District;

(b) to cure any ambiguity, or cure, correct or supplement any defective provision contained in the Lease Agreement, to conform to the original intention of the District and the Corporation;

(c) to amend any provision thereof relating to the Tax Code, if in the opinion of Bond Counsel such amendment will not adversely affect the exclusion from gross income of interest represented by any of the Certificates under the Tax Code;

(d) to amend the description of the Leased Property to reflect accurately the property originally intended to be included therein, or to effectuate any substitution of property or any release or property as permitted by the Lease Agreement;

(e) to obligate the District to pay additional amounts of rental for the use and occupancy of the Leased Property or any portion thereof, but only if (1) such additional amounts of rental are pledged or assigned for the payment of any bonds, notes, leases or other obligations the proceeds of which are applied to finance the completion of the Project or improvements to the Leased Property, and (2) the District has filed with the Trustee written evidence that the amendments made under this subsection (e) will not of themselves cause a reduction or withdrawal of any rating then assigned to the Certificates, or

(f) in any respect whatsoever as the Corporation and the District may deem necessary or desirable, if in the opinion of Bond Counsel such modifications or amendments do not materially adversely affect the interests of the Owners of the Certificates.

Events of Default; Remedies

Each of the following constitutes an Event of Default under the Lease Agreement:

(a) Failure by the District to pay any Lease Payment or other payment required to be paid under the Lease Agreement at the time specified in the Lease Agreement.

(b) Failure by the District to observe and perform any covenant, condition or agreement on its part to be observed or performed, other than as referred to in the preceding clause (a), for a period of 30 days after written notice specifying such failure and requesting that it be remedied has been given to the District by the Corporation or the Trustee. If the District notifies the Corporation and the Trustee that in its reasonable opinion the failure stated in the notice can be corrected, but not within such 30-day period, such failure will not constitute an Event of Default if the District commences to cure such failure within such 30-day period and thereafter diligently and in good faith cures such failure in a reasonable period of time.

(c) Certain events relating to the bankruptcy of the District.

For purposes of determining whether any event of default has occurred under and as described in the preceding clause (a), no effect shall be given to payments made by the Reserve Insurer under the Reserve Policy.

Upon the occurrence and continuance of any Event of Default, the Corporation has the right to terminate the Lease Agreement or, with or without such termination, re-enter, take possession of and re-let the Leased Property. When the Corporation does not elect to terminate the Lease Agreement, the District remains liable to pay all Lease Payments as they come due and liable for damages resulting from such Event of Default. Any amounts collected by the Corporation from the reletting of the Leased Property will be credited towards the District's unpaid Lease Payments. Any net proceeds of re-leasing or other disposition of the Leased Property are required to be deposited in the Lease Payment Fund and applied to Lease Payments in order of payment date. Under the Assignment Agreement, the Corporation assigns all of its rights with respect to remedies in an Event of Default to the Trustee, so that all such remedies will be exercised by the Trustee as provided in the Trust Agreement.

The Trustee has no right to accelerate Lease Payments and, due to the governmental purposes which are served by the use of the Leased Property, it is unlikely that a court would permit the exercise of the remedies of re-entry, repossession or re-letting.

TRUST AGREEMENT

Trustee

The Trustee is appointed under the Trust Agreement and is authorized to prepare, execute and deliver the Certificates thereunder, and to act as a depository of amounts held thereunder. The Trustee is required to make deposits into and withdrawals from funds, and invest amounts held under the Trust Agreement in accordance with the District's instructions.

Use of Certificate Proceeds

The Trust Agreement creates the Lease Payment Fund, the Reserve Fund, the Costs of Issuance Fund, the Project Fund and the Insurance and Condemnation Fund to be held in trust by the Trustee for the benefit of the Certificate Owners.

Lease Payment Fund. There will be deposited in the Lease Payment Fund, when received by the Trustee, all Lease Payments and prepayments thereof (except reimbursement for funds drawn from the Reserve Fund, as described below). Moneys on deposit in the Lease Payment Fund will be used to pay principal, interest and premium (if any) represented by the Certificates. Any earnings on investment of moneys in the Lease Payment Fund will remain therein and will be credited towards payment of the next Lease Payments. Any surplus remaining in the Lease Payment Fund after the payment of all Certificates, or after provision for their payment has been made, will be paid to the District.

Costs of Issuance Fund. The Trustee will deposit a portion of the proceeds of the Certificates in the Costs of Issuance Fund, to be expended to pay costs of issuance relating to the Certificates. All amounts remaining on deposit in the Costs of Issuance Fund and not required to pay costs of issuing the Certificates will be transferred to the District for deposit in the Project Fund.

Reserve Fund. The Trustee will establish a special fund designated as the "Reserve Fund" to be held by the Trustee in trust for the benefit of the District and the Owners of the Certificates, as a reserve for the payment when due of the Lease Payments on behalf of the District. The Reserve Fund will be maintained by the District in an amount equal to the Reserve Requirement. All amounts on deposit in the Reserve Fund in excess of the Reserve Requirement, and all amounts derived from the investment of amounts in the Reserve Fund which are not required to be retained therein to maintain the Reserve Requirement, will be transferred by the Trustee (a) to the Project Fund prior to the Completion Date, and (b) thereafter, to the Lease Payment Fund semiannually on or before each Lease Payment Date.

If on any Interest Payment Date the moneys available in the Lease Payment Fund do not equal the amount of the Lease Payment then coming due and payable, the Trustee will apply the moneys available in the Reserve Fund to make such payments on behalf of the District by transferring the amount necessary for this purpose to the Lease Payment Fund. Upon receipt of any delinquent Lease Payment with respect to which moneys have been advanced from the Reserve Fund, such Lease Payment shall be deposited in the Reserve Fund to the extent of such advance.

Project Fund. The Trustee will establish, maintain and hold in trust a separate fund to be known as the "Project Fund." The Trustee will disburse moneys in the Project Fund from time to time upon written requisitions of the District for the purpose of paying or reimbursing the payment of Project Costs. The District will maintain accurate records showing all disbursements from the Project Fund, including records which show the name and address of each firm or corporation to whom payment is made and the amount and purpose of each payment. Upon the completion of the Project, the Trustee will withdraw all amounts from the Project Fund and transfer such amounts to the Lease Payment Fund.

Reserve Policy

The Reserve Fund will be initially provided in the form of the Reserve Policy which is deposited with the Trustee by the Reserve Insurer on the Closing Date in the full amount of the Reserve Requirement. Under the terms and conditions of the Reserve Policy and this Section, the Trustee shall deliver to the Reserve Insurer a demand for payment under the Reserve Policy in the required form at least five Business Days before the date on which funds are required for the purposes set forth in the Trust Agreement. The Trustee shall comply with all of the terms and provisions of the Reserve Policy for the purpose of assuring that funds are available when required for the purposes of the Reserve Fund, within the limits of the coverage amount provided by the Reserve Policy. All amounts drawn by the Trustee under the Reserve Policy will be deposited into the Reserve Fund and applied for the purposes thereof.

Application of Insurance and Eminent Domain Proceeds

Any Net Proceeds of insurance collected by the District in the event of accident to or destruction of the Leased Property will be paid to the Trustee under the Lease Agreement and deposited by the Trustee promptly upon receipt thereof in the Insurance and Condemnation Fund which is held by the Trustee.

If the District determines and notifies the Trustee in writing of its determination, within 90 days following the date of such deposit, that the replacement, repair, restoration, modification or improvement of such improvements is not economically feasible or in the best interests of the District, then such Net Proceeds will be promptly transferred by the Trustee to the Lease Payment Fund and applied to the prepayment of Lease Payments and the corresponding prepayment of Certificates. In the event of damage or destruction of the Leased Property in full, such Net Proceeds may be transferred to the Lease Payment Fund to be used to prepay outstanding Certificates only if such Net Proceeds, together with other available moneys, are sufficient to cause the corresponding prepayment of all Lease Payments.

Any Net Proceeds deposited in the Insurance and Condemnation Fund and not applied to prepay the Lease Payments and the Certificates will be applied to replace, repair, restore, modify or improve the Leased Property. Payments will be made by the Trustee for such purpose upon receipt of written requisitions of the District filed with the Trustee. Any balance of the Net Proceeds remaining after the District files a written certificate with the Trustee stating that such work has been completed will be paid to the District.

If all or any part of the Leased Property is taken by eminent domain proceedings (or sold to a government threatening to exercise the power of eminent domain) the Net Proceeds therefrom will be deposited with the Trustee in the Insurance and Condemnation Fund and will be applied and disbursed by the Trustee either to replace the Leased Property or prepay the Lease Payments and the Certificates, as set forth in the Trust Agreement.

Investment of Funds

The Trustee is required to invest and reinvest all moneys held under the Trust Agreement, at the written direction of the District, in Permitted Investments maturing not later than the date moneys are expected to be required for expenditure. All income or profit on any investments of funds held by the Trustee under the Trust Agreement will be deposited in the respective funds from which such investments were made; except that all amounts derived from the investment of amounts in the Reserve Fund, to the extent not required to be retained in the Reserve Fund to maintain the Reserve Requirement, will be transferred to the Project Fund or transferred to the Lease Payment Fund, at the election of the District.

Remedies Upon Event of Default

Exercise of Remedies; Limitation on Certificate Owners' Rights. Upon the occurrence of an Event of Default by the District under the Lease Agreement, the Trustee may, and if requested by the Owners of a majority in aggregate principal amount of the Certificates then outstanding the Trustee shall, exercise any and all remedies available at law or under the Lease Agreement.

The Trustee is granted the power to control the proceedings in the event of a default for the equal benefit of the Certificate Owners, and no Certificate Owner has the right to institute any suit, action or proceeding at law or in equity, unless (a) such Owner has previously notified the Trustee of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the outstanding Certificates have requested the Trustee in writing to exercise its powers, (c) the Owners have tendered the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in complying with such request, and (d) the Trustee has failed to comply with such request for 60 days after receipt of such request and tender of such indemnity.

Application of Amounts Collected. Any amounts collected by the Trustee in an Event of Default are required to be applied first to the payment of the fees and expenses of the Trustee incurred in connection with such Event of Default and second to the payment of principal and interest represented by the Certificates (including interest on overdue installments of interest at the net effective rate of interest per annum then represented by the outstanding Certificates, but only to the extent funds are available for such purpose after payment of all other overdue amounts), ratably if necessary. Upon an Event of Default, the Trustee has a first lien on the amounts held under the Trust Agreement for its fees, charges and expenses.

Amendment of Trust Agreement

The Trust Agreement may be amended by agreement among the parties thereto without the consent of the Owners of the Certificates, for any one or more of the following purposes:

(a) to add to the covenants and agreements of any party, other covenants to be observed, or to surrender any right or power reserved to the Corporation or the District,

(b) to cure, correct or supplement any ambiguous or defective provision,

(c) in regard to questions arising under the Trust Agreement, as the parties may deem necessary or desirable and which amendment does not, in the opinion of Bond Counsel, materially adversely affect the interests of the Owners of the Certificates,

(d) if and to the extent permitted in the opinion of Bond Counsel filed with the Trustee, the District and the Corporation, to delete or modify any provisions relating to the exclusion from gross income of interest represented by the Certificates under the Tax Code, or

(e) to conform to any amendments of the Lease Agreement which are permitted to be made under the terms of the Lease Agreement as described above.

Any other amendment requires the approval of the Owners of a majority in aggregate principal amount of the Certificates then outstanding, provided that no such amendment may (a) extend the maturity or time of interest payment, or reduce the interest rate, amount of principal or premium payable on, any Certificate without such Owner's consent; (b) reduce the percentage of Owners of Certificates required to consent to any amendment or modification; or (c) modify any of the Trustee's rights or obligations without its consent.

Defeasance

Upon payment of the outstanding Certificates in whole, or upon the deposit of cash or non-callable Federal Securities with the Trustee sufficient with other available funds to retire the obligations represented by such Certificates at or before maturity, all rights thereunder of the Owners of such Certificates and all obligations of the Corporation, the Trustee and the District with respect to the Certificates ceases and terminates, except only the obligation of the Trustee to pay or cause to be paid, from Lease Payments paid by or on behalf of the District from funds so deposited, all sums represented thereby when due.

Provisions Relating to the Reserve Insurer

Payment of Draws and Expenses. The District shall repay any draws under the Reserve Policy and pay all related reasonable expenses incurred by the Reserve Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Reserve Insurer at a designated Late Payment Rate. Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw. Amounts in respect of Policy Costs paid to the Reserve Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Reserve Insurer on account of principal due, the coverage under the Reserve Policy will be increased by a like amount, subject to the terms of the Reserve Policy. All cash and investments in the Reserve Fund shall be transferred to the Lease Payment Fund for payment of the principal and interest represented by the Certificates before any drawing may be made on the Reserve Policy.

Remedies of Reserve Insurer. If the District fails to pay any Policy Costs in accordance with the requirements set forth above, the Reserve Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under the Trust Agreement and the Lease Agreement other than (i) acceleration of the maturity of the Certificates, or (ii) remedies which would adversely affect the Owners of the Certificates.

Discharge of Trust Agreement. The Trust Agreement will not be discharged until all Policy Costs owing to the Reserve Insurer have been paid in full. The District's obligation to pay such amount survives the payment in full of the Certificates.

Reimbursement of Draws. The District agrees unconditionally that it will pay or reimburse the Reserve Insurer on demand any and all reasonable charges, fees, costs, losses, liabilities and expenses that the Reserve Insurer may pay or incur, including, but not limited to, fees and expenses of the Reserve Insurer's agents, attorneys, accountants, consultants, appraisers and auditors and reasonable costs of investigations, in connection with the administration (including waivers and consents, if any), enforcement, defense, exercise or preservation of any rights and remedies in respect of the Trust Agreement, the Lease Agreement or the Site Lease.

The District is obligated to pay, as an additional lease or rental payment, to the Trustee for deposit to the Reserve Fund an amount equal to the debt service reserve fund replenishment under the Trust Agreement, including amounts required to repay draws and Policy Costs under the Reserve Policy.

Subrogation. In the event that principal and/or interest due with respect to the Certificates is paid by the Reserve Insurer under the Reserve Policy, the Certificates will remain outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the District. In such event, the Reserve Insurer will be subrogated to the rights of the Owners of the Certificates including, without limitation, any rights that such Owners may have in respect of securities law violations arising from the offer and sale of the Reserve Insurer.

Reserve Insurer As Third Party Beneficiary. The Reserve Insurer is recognized as and shall be deemed to be a third party beneficiary of this Trust Agreement, the Lease Agreement and the Site Lease and may enforce the provisions of hereof and thereof as if it were a party thereto.

ASSIGNMENT AGREEMENT

The Corporation and the Trustee will enter into the Assignment Agreement under which the Corporation assigns and sets over to the Trustee, for the benefit of the Owners of the Certificates, substantially all of the Corporation's rights under the Lease Agreement (subject to certain exceptions), including the right of the Corporation to receive and collect Lease Payments, its right to receive and collect proceeds of condemnation and insurance awards and the right to exercise rights and remedies of the Corporation in the Lease Agreement to enforce payments of amounts thereunder. The Trustee accepts such assignment for the purpose of securing the Lease Payments, subject to the provisions of the Trust Agreement.

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR FISCAL YEAR ENDED JUNE 30, 2015

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CAMPBELL UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS

June 30, 2015

CAMPBELL UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015
(Continued)

CONTENTS

CAMPBELL UNION HIGH SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION
For the Year Ended June 30, 2015

CONTENTS

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Campbell Union High School District
San Jose, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Campbell Union High School District, as of and for the year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise Campbell 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, each major fund, and the aggregate remaining fund information of Campbell Union High School District, as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

(Continued)

Emphasis of Matter

As discussed in Note 1 to the financial statements, in June 2012 the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 68, "Accounting and Financial Reporting for Pensions." Also, in November 2013 the GASB issued GASB Statement No. 71, "Pension Transition for Contributions Made Subsequent to the Measurement Date". As discussed in Notes 8 and 9, GASB Statements No. 68 and No. 71 are effective for the District's fiscal year ending June 30, 2015. These Statements replace the requirements of GASB Statement No. 27, "Accounting for Pensions by State and Local Governmental Employers" and GASB Statement No. 50, "Pension Disclosures." GASB Statements No. 68 and No. 71 establish standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses as well as identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value and attribute that present value to periods of employee service. Note disclosures and required supplementary information (RSI) requirements about pensions are also addressed. Our opinion is not modified with respect to this matter.

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 4 to 10 and the General Fund Budgetary Comparison Schedule, the Schedule of Other Postemployment Benefits (OPEB) Funding Progress, the Schedule of the District's Proportionate Share of the Net Pension Liability, and the Schedule of the District's Contributions on pages 59 to 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by 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 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Campbell Union High School District's basic financial statements. The accompanying schedule of expenditure of federal awards as required by *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations* and the other supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of expenditure of federal awards and other supplementary information as listed in the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information, except for the Schedule of Financial Trends and Analysis, 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 schedule of expenditure of federal awards and other supplementary information as listed in the table of contents, except for the Schedule of Financial Trends and Analysis, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

(Continued)

The Schedule of Financial Trends and Analysis has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2015 on our consideration of Campbell Union High School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Campbell Union High School District's internal control over financial reporting and compliance.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 15, 2015

The Management Discussion and Analysis section of the audit provides Management's overall view of the District's financial condition and serves as a vehicle to convey important fiscal issues to the Board and the public.

REPORTING OVERVIEW

The Statement of Net Position and the Statement of Activities

The *Statement of Net Position* reports summary financial information as of June 30, 2015. The *Statement of Activities* summarizes changes which have occurred in the past fiscal year. These statements include *all* assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *Net Position* and changes in the *Net Position*. The *Net Position* is the difference between assets plus deferred outflows of resources less liabilities plus deferred inflows of resources. This is one way to measure the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net position are one indicator of whether its *financial health* is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

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

In the *Statement of Net Position* and the *Statement of Activities,* activities are separated as follows:

Governmental activities - Most of the District's services are reported in this category. This includes the education of grade nine through grade twelve students, Adult Education, and the on-going effort to improve and maintain buildings and sites. Property taxes, state income taxes, user fees, interest income, federal, state and local grants, as well as general obligation bonds, finance these activities.

Business-type activities - The District has no business-type activities.

FINANCIAL HIGHLIGTS FISCAL YEAR 2014-2015

DISTRICT ASSETS

Net Position

The District's net position was $47,475,752 at the end of Fiscal year 2014-2015 which ended June 30, 2015. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those assets for day-to-day operations. Our analysis below focuses on the net position (Table 1) and the change in net position (Table 2) of the District's governmental activities.

Table 1

	June 30, 2014	June 30, 2015
Current and other assets	$ 69,550,148	$ 64,789,477
Capital Assets	221,493,122	222,500,379
Total Assets	***291,043,270***	***287,289,856***
Total deferred outflows of resources	***1,144,281***	***10,259,823***
Current liabilities	10,148,686	8,393,497
Long-term debt	170,735,870	227,399,430
Total Liabilities	***180,884,556***	***235,792,927***
Total deferred inflows of resources	-	***14,281,000***
Net Position		
Net investment in capital assets	67,673,113	68,292,390
Restricted	35,862,690	35,767,790
Unrestricted	7,767,192	(56,584,428)
Net Position	***$ 111,302,995***	***$ 47,475,752***
Cumulative effect of GASB 68 implementation	(63,342,277)	
Net position as of July 1, 2014, restated	47,960,718	
Net position as of June 30, 2015		47,475,752
Change in net position		(484,966)

Changes in Net Position

The results of this year's operations for the District as a whole are reported in the *Statement of Activities*. Table 2 is representative of this report. Due to accounting changes associated with GASB 68 which is intended to improve financial reporting by state and local governments for pensions, the District's net position as of July 1, 2014 was restated to $47,960,718. The net position change after this restatement was a $484,966 decrease. The cumulative impact GASB 68 implementation was $63,342,277.

Table 2

		June 30, 2014	June 30, 2015
Revenues			
	Charges for services	$ 360,443	$ 353,070
	Operating grants & contributions	6,194,846	5,494,990
	Capital grants and contributions	26,621	29,084
	General revenues:		
	Property taxes	77,199,148	82,122,906
	Other general revenues	11,227,475	11,336,738
	Total Revenues	**95,008,533**	**99,336,788**
Expenses			
	Instructional related	63,253,483	65,176,417
	Student support services	6,676,216	7,192,899
	Administration	6,206,456	6,098,733
	Maintenance and operations	9,747,962	9,720,574
	Other	11,710,468	11,633,131
	Total Expenses	**97,594,585**	**99,821,754**
	Change in Net Position	$ (2,586,052)	$ (484,966)

The total cost of all our governmental activities this year was $99,821.754. The District's expenses are predominantly related to educating and caring for students (72%). Purely administrative activities of the District accounted for just 4.7% of total costs. District expenditures exceeded revenues, decreasing the district's net position by $484,966.

In Table 3, we have presented the District's eleven largest functions by cost - regular program instruction, guidance and counseling, school administration, student transportation services, school food services, other pupil services, district administration, data processing, maintenance and operations, ancillary services, and others. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3
Cost of Services by Function

	June 30, 2014	June 30, 2015
Instruction	$ 54,917,987	$ 56,641,383
Guidance and Counseling	1,946,213	2,269,230
School Administration	6,389,283	6,265,804
Pupil Transportation	989,380	845,641
Food Services	1,331,125	1,341,770
All other pupil services	4,355,711	5,005,488
Administration	5,259,138	4,674,226
Data Processing	947,318	1,424,507
Maintenance and operations	8,163,017	7,729,010
Ancillary services	1,584,945	1,991,564
Other	11,710,468	11,633,131
Totals:	$ 97,594,585	$ 99,821,754

DISTRICT FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $50,745,999, which is a net decrease of $6,002,184 year over year.

General Fund Budgetary Highlights

The General Fund accounts are for the primary operations of the District. The District's initial budget is adopted by July 1. Over the course of the year, the District's budget is revised several times to take into account revised and new categorical funding appropriations and related expenditures, and to update budgets for prior year carryover amounts. The following table summarizes the general fund budget to actual information for the year ended June 30, 2015.

	Adopted Budget	Year-End Budget	Actual	Variance Year-End to Actual
Total Revenues	$81,567,878	$83,365,278	$85,735,610	$2,370,332
Total Expenditures	$79,108,095	$83,587,949	$82,876,631	$711,318
Total Other Uses	$3,772,920	$3,807,294	$3,979,528	$(172,234)

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the District had $222,500,379 in a broad range of capital assets, including land, buildings, furniture, and equipment. This amount represents a net increase (including additions, deductions and depreciation) of $1,007,257 year over year. Table 4 reflects the District's capital assets net of depreciation as of June 30, 2015.

Table 4

Capital Assets at Year End (Net of Depreciation)

	2014	2015
Land	$ 4,037,160	$ 4,037,160
Improvement of Sites	44,454,519	45,897,460
Buildings	168,734,378	162,377,824
Work In Progress	807,008	6,214,060
Machinery & Equipment	3,460,057	3,973,875
Total	**$ 221,493,122**	**$ 222,500,379**

Long-Term Liabilities

At the end of this year, the District had $225,722,074 in Long-Term liabilities. Table 5 reflects the composition of the District's long term debt.

Table 5

Long-term Debt at Year End

	Balance as of July 1, 2014, as restated	Balance as of July 1, 2015
General Obligation Bonds	$ 157,433,634	$ 158,881,639
Capitalized Lease Obligation	10,159,891	8,953,047
Compensated Absences	254,779	332,984
Net pension liability	67,170,000	54,040,000
Other Post-Employment Benefits	2,887,566	3,514,404
Total	**$ 237,905,870**	**$ 225,722,074**

The District's general obligation bond rating remains at Aa2" (Moody's), with a positive outlook, and "AA+" (Fitch). The State limits the amount of general obligation debt that Districts can issue to 5 percent of the assessed value of all taxable property within the District's boundaries.

SIGNIFICANT ACCOMPLISHMENTS OF THE 2014-2015 FISCAL YEAR ARE NOTED BELOW:

PROJECT NAME	TOTAL
SOLAR - ALL SITES	$ 124,120
WESTMONT - PORTABLE REPLACEMENT	944,827
DEL MAR - WEIGHT ROOMS	137,901
LEIGH - WEIGHT ROOMS	136,410
WESTMONT - WEIGHT ROOMS	138,979
BRANHAM - WEIGHT ROOMS	136,922
PROSPECT - WEIGHT ROOMS	144,236
LEIGH - MODERNIZATION OF LIBRARY	22,873
WESTMONT - MODERNIZATION OF LIBRARY	13,315
DEL MAR - DUGOUTS BASEBALL	375,095
LEIGH - DUGOUTS BASEBALL	345,167
PROSPECT - DUGOUTS BASEBALL	333,229
TOTAL	$ 2,853,074

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

In considering the District Budget for the 2015-2016 Fiscal Year, the District Board and management used the following assumptions:

1. State revenues are not anticipated under the Local Control Funding Formula nor does the District anticipate additional revenue loss under the LCFF
2. Property tax revenues are expected to increase 5.23%, 4.25%, and 3.75% in 2015-2016, 2016-2017, and 2017-2018 respectively
3. Health Care Costs are projected to increase 6.88%
4. STRS contribution is expected to increase from 11.771% to 11.847%
5. PERS contribution is expected to increase from 8.88% to 10.73%
6. ADA is expected to increase in proportion to enrollment increases

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information Brett McFadden the Assistant Superintendent of Business Services, at 3235 Union Avenue, San Jose, California 95124, or e-mail bmcfadden@cuhsd.org.

BASIC FINANCIAL STATEMENTS

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION
June 30, 2015

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 61,751,640
Receivables	2,505,250
Prepaid expenses	485,807
Stores inventory	46,780
Non-depreciable capital assets (Note 4)	10,251,220
Depreciable capital assets, net of accumulated depreciation (Note 4)	212,249,159
Total assets	287,289,856
DEFERRED OUTFLOWS OF RESOURCES	
Deferred loss from advance refunding of debt (Note 6)	5,796,016
Deferred outflow of resources - pensions (Notes 8 and 9)	4,463,807
Total deferred outflows of resources	10,259,823
LIABILITIES	
Accounts payable	7,528,201
Unearned revenue	165,296
Unpaid claims and claim adjustment expenses - current (Note 5)	700,000
Long-term liabilities (Note 6):	
Unpaid claims and claim adjustment expenses - less current portion (Note 5)	1,677,356
Due within one year	6,392,897
Due after one year	219,329,177
Total liabilities	235,792,927
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pensions (Notes 8 and 9)	14,281,000
NET POSITION	
Net investment in capital assets	68,292,390
Restricted (Note 7)	35,767,790
Unrestricted	(56,584,428)
Total net position	$ 47,475,752

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Position: Governmental Activities
Governmental activities:					
Instruction	$ 56,641,383	$ -	$ 4,235,796	$ 29,084	$ (52,376,503)
Instruction-related services:					
Supervision of instruction	2,183,745	-	143,313	-	(2,040,432)
Instructional library, media and technology	85,485	-	-	-	(85,485)
School site administration	6,265,804	-	139,413	-	(6,126,391)
Pupil services:					
Home-to-school transportation	845,641	-	35,982	-	(809,659)
Food services	1,341,770	352,270	452,840	-	(536,660)
All other pupil services	5,005,488	-	90,592	-	(4,914,896)
General administration:					
Data processing	1,424,507	-	16,480	-	(1,408,027)
All other general administration	4,674,226	-	87,833	-	(4,586,393)
Plant services	7,729,010	800	43,163	-	(7,685,047)
Ancillary services	1,991,564	-	158,646	-	(1,832,918)
Interest on long-term liabilities	9,569,332	-	-	-	(9,569,332)
Other outgo	2,063,799	-	90,932	-	(1,972,867)
Total governmental activities	$ 99,821,754	$ 353,070	$ 5,494,990	$ 29,084	(93,944,610)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	65,771,303
Taxes levied for debt service	11,289,534
Taxes levied for other specific purposes	5,062,069
Federal and state aid not restricted to specific purposes	6,925,203
Interest and investment earnings	143,839
Miscellaneous	4,267,696
Total general revenues	93,459,644
Change in net position	(484,966)
Net position, July 1, 2014	111,302,995
Cumulative effect of GASB 68 implementation	(63,342,277)
Net position, July 1, 2014, as restated	47,960,718
Net position, June 30, 2015	$ 47,475,752

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2015

	General Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
ASSETS							
Cash and investments:							
Cash in County Treasury	$ 17,390,526	$ 9,171,806	$ 6,244,899	$ 9,555,469	$ 8,317,818	$ 1,747,372	$ 52,427,890
Cash on hand and in banks	3,683	-	-	-	-	2,181	5,864
Cash in revolving fund	4,000	-	-	-	-	800	4,800
Receivables	1,914,368	13,632	8,576	44,888	5,255	506,329	2,493,048
Prepaid expenditures	485,807	-	-	-	-	-	485,807
Stores inventory	28,663	-	-	-	-	18,117	46,780
Due from other funds	1,088,352	147,673	-	383,748	-	1,461,487	3,081,260
Total assets	$ 20,915,399	$ 9,333,111	$ 6,253,475	$ 9,984,105	$ 8,323,073	$ 3,736,286	$ 58,545,449
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	$ 1,704,179	$ 1,448,195	$ 42,318	$ 531,900	$ -	$ 456,816	$ 4,183,408
Unearned revenue	165,296	-	-	-	-	-	165,296
Due to other funds	1,974,317	54,235	70,145	271,186	-	1,080,863	3,450,746
Total liabilities	3,843,792	1,502,430	112,463	803,086	-	1,537,679	7,799,450
Fund balances:							
Nonspendable	518,470	-	-	-	-	18,917	537,387
Restricted	2,723,041	7,830,681	6,141,012	9,181,019	8,323,073	2,198,607	36,397,433
Assigned	11,296,138	-	-	-	-	-	11,296,138
Unassigned	2,533,958	-	-	-	-	(18,917)	2,515,041
Total fund balances	17,071,607	7,830,681	6,141,012	9,181,019	8,323,073	2,198,607	50,745,999
Total liabilities and fund balances	$ 20,915,399	$ 9,333,111	$ 6,253,475	$ 9,984,105	$ 8,323,073	$ 3,736,286	$ 58,545,449

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2015

Total fund balances - Governmental Funds		$ 50,745,999
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $306,279,486 and the accumulated depreciation is $83,779,107 (Note 4).		222,500,379
In governmental funds, deferred outflows of resources resulting from defeasance of debt are not recorded. In governmental activities, for advance refundings resulting in defeasance of debt reported in governmental activities, the difference between reacquisition price and the net carrying amount of the retired debt is reported as deferred outflows of resources.		5,796,016
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Long-term liabilities at June 30, 2015 consisted of (Note 6):		
General Obligation Bonds	$ (146,910,000)	
Unamortized Bond Premiums	(11,971,639)	
Capitalized Lease Obligations	(8,953,047)	
Net pension liability (Notes 8 and 9)	(54,040,000)	
Compensated absences	(332,984)	
Other postemployment benefits (Note 10)	(3,514,404)	
		(225,722,074)
In government funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported (Notes 8 and 9).		
Deferred outflows of resources relating to pensions	$ 4,463,807	
Deferred inflows of resources relating to pensions	(14,281,000)	
		(9,817,193)
Unmatured interest is not recognized until it is due and, therefore, is not accrued as a payable in the governmental funds.		(3,228,413)
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Net position for the Self-Insurance Fund is:		7,201,038
Total net position - governmental activities		$ 47,475,752

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Revenues:							
Local Control Funding Formula:							
State apportionment	$ 5,104,972	$ -	$ -	$ -	$ -	$ -	$ 5,104,972
Local sources	65,528,545	-	-	-	-	-	65,528,545
Total Local Control Funding Formula	70,633,517	-	-	-	-	-	70,633,517
Federal sources	1,699,855	-	-	-	-	691,110	2,390,965
Other state sources	6,136,396	-	-	-	74,908	133,196	6,344,500
Other local sources	7,265,842	309,284	29,084	2,813,692	11,227,175	1,053,920	22,698,997
Total revenues	85,735,610	309,284	29,084	2,813,692	11,302,083	1,878,226	102,067,979
Expenditures:							
Current:							
Certificated salaries	35,030,628	-	-	-	-	1,499,929	36,530,557
Classified salaries	9,308,262	43,479	-	-	-	1,002,747	10,354,488
Employee benefits	19,313,485	27,929	-	-	-	1,185,353	20,526,767
Books and supplies	4,269,641	-	-	128,564	-	773,874	5,172,079
Contract services and operating expenditures	9,794,885	633,266	-	-	-	229,698	10,657,849
Other outgo	4,295,658	-	-	-	-	-	4,295,658
Capital outlay	864,072	5,076,597	162,938	1,172,043	-	1,947,810	9,223,460
Debt service:							
Principal retirement	-	-	-	1,206,844	3,520,000	-	4,726,844
Interest	-	4,796,856	-	345,128	6,835,766	-	11,977,750
Total expenditures	82,876,631	10,578,127	162,938	2,852,579	10,355,766	6,639,411	113,465,452
Excess (deficiency) of revenues over (under) expenditures	2,858,979	(10,268,843)	(133,854)	(38,887)	946,317	(4,761,185)	(11,397,473)

(Continued)

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2015

	General Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Other financing sources (uses):							
Transfers in	$ -	$ -	$ -	$ -	$ -	$ 3,904,528	$ 3,904,528
Transfers out	(3,979,528)	-	-	-	-	-	(3,979,528)
Proceeds from issuance of long-term liabilities	-	55,380,000	-	-	-	-	55,380,000
Debt issuance premiums	-	7,450,289	-	-	-	-	7,450,289
Payment to refunding escrow	-	(57,360,000)	-	-	-	-	(57,360,000)
Total other financing sources (uses)	(3,979,528)	5,470,289	-	-	-	3,904,528	5,395,289
Net change in fund balances	(1,120,549)	(4,798,554)	(133,854)	(38,887)	946,317	(856,657)	(6,002,184)
Fund balances, July 1, 2014	18,192,156	12,629,235	6,274,866	9,219,906	7,376,756	3,055,264	56,748,183
Fund balances, June 30, 2015	$ 17,071,607	$ 7,830,681	$ 6,141,012	$ 9,181,019	$ 8,323,073	$ 2,198,607	$ 50,745,999

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2015

Net change in fund balances - Total Governmental Funds		$ (6,002,184)
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net position (Note 4).	$ 9,223,459	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(8,157,442)	
In governmental funds, proceeds from the disposal of capital assets are reported as revenue. In the statement of activities only the resulting gain or loss is reported (Note 4).	(58,760)	
In governmental funds, the premium on issuance of debt is recognized as other financing sources. In the government-wide statements, the premium is amortized over the life of the related debt (Note 6).	(6,948,005)	
Payments made to the refunding escrow is an other financing use in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	57,360,000	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net position (Note 6).	4,726,844	
Issuance of long-term liabilities are recognized as other financing sources in the governmental funds, but increases to long-term liabilities in the statement of net position (Note 6).	(55,380,000)	
In governmental funds, deferred outflows of resources are not recognized. In the government-wide statements, deferred outflows of resources are amortized over the shortened life of the refunded or refunding debt. The amount of deferred outflow as a result of the current year refunding was $4,796,856 and the current year amortization was $145,121.	4,651,735	
In governmental funds, interest on long-term liabilities is recognized in the period that it becomes due. Unmatured interest owing at the end of the period less matured interest paid during the period but owing from the prior period, was:	782,026	
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Change in net position for the Self-Insurance Fund was:	537,320	

(Continued)

In governmental funds, other postemployment benefits are recognized when employers contributions are made. In the government-wide statements, other postemployment benefits are recognized on the accrual basis (Notes 6 and 10).	$ (626,838)	
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:	(514,916)	
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	(78,205)	
		5,517,218
Change in net position of governmental activities		$ (484,966)

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF NET POSITION - PROPRIETARY FUND
SELF-INSURANCE FUND
June 30, 2015

ASSETS	
Cash and investments:	
Cash in County Treasury	$ 9,235,493
Cash on hand and in banks	77,593
Receivables	12,202
Due from other funds	369,486
Total assets	9,694,774
LIABILITIES	
Accounts payable	116,380
Unpaid claims and claim adjustment expenses - current	700,000
Total current liabilities	816,380
Unpaid claims and claims adjustment expense - less current portion	1,677,356
Total liabilities	2,493,736
NET POSITION	
Restricted	$ 7,201,038

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN NET POSITION - PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2015

Operating revenues:	
Self-insurance premiums	$ 1,727,038
Operating expenses:	
Books and supplies	6,897
Contract services	1,299,615
Total operating expenses	1,306,512
Operating income	420,526
Non-operating revenues:	
Interest income	41,794
Transfers in	75,000
Total non-operating revenues	116,794
Change in net position	537,320
Net position, July 1, 2014	6,663,718
Net position, June 30, 2015	$ 7,201,038

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND
SELF-INSURANCE FUND
For the Year Ended June 30, 2015

Cash flows from operating activities:	
Cash received from self-insurance premiums	$ 1,492,959
Cash paid for employee benefits	(1,354,721)
Cash paid to suppliers	(6,897)
Net cash provided by operating activities	131,341
Cash flows from investing activities:	
Interest income received	58,631
Cash flows from non-capital financing activities:	
Transfers from the General Fund	75,000
Increase in cash and investments	264,972
Cash and investments, July 1, 2014	9,048,114
Cash and investments, June 30, 2015	$ 9,313,086
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	$ 420,526
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in:	
Due from other funds	(234,079)
Increase (decrease) in:	
Unpaid claims and claim adjustment expenses	45,901
Accounts payable	(101,007)
Total adjustments	(289,185)
Net cash provided by operating activities	$ 131,341

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
TRUST AND AGENCY FUNDS
June 30, 2015

	Trust Fund Scholarship	Agency Funds Student Body
ASSETS		
Cash on hand and in banks (Note 2)	$ 123,245	$ 897,466
LIABILITIES		
Due to student groups	-	897,466
NET POSITION		
Restricted (Note 7)	$ 123,245	$ -

See accompanying notes to financial statements.

CAMPBELL UNION HIGH SCHOOL DISTRICT
STATEMENT OF CHANGE IN FIDUCIARY NET POSITION
TRUST FUND
For the Year Ended June 30, 2015

		Scholarship
Additions:		
Donations	$	32,358
Deductions:		
Scholarships		(71,478)
Change in net position		(39,120)
Net position, July 1, 2014		162,365
Net position, June 30, 2015	$	123,245

See accompanying notes to financial statements.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Campbell Union High School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California 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. The following is a summary of the more significant policies:

Reporting Entity: The Board of Trustees is the level of government which has governance responsibilities over all activities related to public school education in the Campbell Union High School District. The Board is not included in any other governmental "reporting entity" as defined by the Governmental Accounting Standards Board since Board members have decision-making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

The District receives funding from local, state and federal governmental sources and must comply with all the requirements of these funding source entities.

Basis of Presentation - Financial Statements: The basic financial statements include a Management's Discussion and Analysis (MD & A) section providing an analysis of the District's overall financial position and results of operations, financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a focus on the major funds.

Basis of Presentation - Government-Wide Financial Statements: The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Position and the Statement of Change in Fiduciary Net Position at the fund financial statement level.

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Program revenues: Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

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

Basis of Presentation - 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.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A - Major Funds

General Fund:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund. For financial reporting purposes, the Special Reserve for Other than Capital Outlay Fund is included with the General Fund.

Building Fund:

The Building Fund is used to account for resources used for the acquisition of capital facilities by the District.

County School Facilities Fund:

The County School Facilities Fund is a capital projects fund used to account for resources used for the acquisition or construction of capital facilities and equipment by the District.

Special Reserve for Capital Projects Fund:

The Special Reserve for Capital Projects Fund is a capital projects fund used to provide for the accumulation of general fund moneys to be used for capital outlay purposes.

Bond Interest and Redemption Fund:

The Bond Interest and Redemption Fund is a debt service fund used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

B - Other Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. This includes the Adult Education, Cafeteria, and Deferred Maintenance Funds.

The Capital Facilities Fund is a capital projects fund used to account for resources used for the acquisition or construction of capital projects and equipment by the District.

The Self-Insurance Fund is an internal service fund which is used to account for the District's self-insured property and liability claims, workers' compensation claims and dental insurance claims.

The Scholarship Fund is a trust fund which is used to account for scholarship monies, for which the District acts as trustee.

The Agency Funds are used to account for the assets of others for which the District acts as an agent. The District maintains five agency funds, one for each school's student body organization.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting: Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the basic financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Accrual: Governmental activities in the government-wide financial statements, the proprietary and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual: The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term liabilities, if any, is recognized when due.

Budgets and Budgetary Accounting: By state law, the Board of Trustees must adopt a final budget by July 1. A public hearing is conducted to receive comments prior to adoption. The Board of Trustees complied with these requirements.

Receivables: Receivables are made up principally of amounts due from the State of California and categorical programs. The District has determined that no allowance for doubtful accounts was necessary as of June 30, 2015.

Stores Inventory: Inventories in the General and Cafeteria Funds consist mainly of consumable supplies, and are valued at average cost. Inventories are recorded as expenditures at the time individual inventory items are transferred from the warehouse to the schools and offices.

Capital Assets: Capital assets purchased or acquired, with an original cost of $5,000 or more, are recorded 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 outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 4 - 30 years depending on asset types.

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/expenditures) until then. The District has recognized a deferred loss on refunding reported which is in the statement of net position. A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shortened life of the refunded or refunding debt. Amortization for the year ended June 30, 2015 totaled $145,121. Additionally, the District has recognized a deferred outflow of resources related to the payments made subsequent to the measurement date for the pensions.

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. The District has recognized a deferred inflow of resources related to the recognition of the pension liability reported in the Statement of Net Position.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 position of the State Teachers' Retirement Plan (STRP) and Public Employers Retirement Fund B (PERF B) and additions to/deductions from STRP's and PERF B's fiduciary net position have been determined on the same basis as they are reported by STRP and PERF B. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

The following is a summary of pension amounts in aggregate as of June 30, 2015:

	STRP	PERF B	Total
Deferred outflows of resources	$ 3,147,185	$ 1,316,622	$ 4,463,807
Deferred inflows of resources	$ 10,842,000	$ 3,439,000	$ 14,281,000
Net pension liability	$ 44,030,000	$ 10,010,000	$ 54,040,000
Pension expense	$ 6,083,673	$ 957,050	$ 7,040,723

Compensated Absences: Compensated absences benefits in the amount of $332,984 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave: Sick leave benefits are not recognized as liabilities of the District. The District's policy is to record sick leave as an operating expenditure 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 for certain STRP and PERF B employees when the employee retires.

Unearned Revenue: Revenue from federal, state and local special projects and programs is recognized when qualified expenditures have been incurred. Funds received but not earned are recorded as unearned revenue until earned.

Net Position: Net position is displayed in three components:

1 - Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent bond proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

2 - Restricted Net Position - Restrictions of the ending net position indicate the portions of net position not appropriate for expenditure or amounts legally segregated for a specific future use. The restriction for unspent categorical program revenues represents the portion of net position restricted to specific program expenditures. The restriction for special revenues represents the portion of net position restricted for special purposes. The restriction for capital projects represents the portion of net position restricted for capital projects. The restriction for debt service represents the portion of net position available for the retirement of debt. The restriction for self-insurance represents the portion of net position restricted for payment of insurance claims. The restriction for scholarships represents the portion of net position restricted for payment of scholarships. It is the District's policy to use restricted net position first when allowable expenditures are incurred.

3 - Unrestricted Net Position - All other net position that do not meet the definitions of "restricted" or "net investment in capital assets".

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classifications: Governmental Accounting Standards Board Codification Sections 1300 and 1800, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB Cod. Sec. 1300 and 1800) implements a five-tier fund balance classification hierarchy that depicts the extent to which a government is bound by spending constraints imposed on the use of its resources. The five classifications, discussed in more detail below, are nonspendable, restricted, committed, assigned and unassigned.

A - Nonspendable Fund Balance:

The nonspendable fund balance classification reflects amounts that are not in spendable form, such as revolving fund cash, prepaid expenditures and stores inventory.

B - Restricted Fund Balance:

The restricted fund balance classification reflects amounts subject to externally imposed and legally enforceable constraints. Such constraints may be imposed by creditors, grantors, contributors, or laws or regulations of other governments, or may be imposed by law through constitutional provisions or enabling legislation. These are the same restrictions used to determine restricted net position as reported in the government-wide and fiduciary trust fund statements.

C - Committed Fund Balance:

The committed fund balance classification reflects amounts subject to internal constraints self-imposed by formal action of the Board of Trustees. The constraints giving rise to committed fund balance must be imposed no later than the end of the reporting period. The actual amounts may be determined subsequent to that date but prior to the issuance of the financial statements. Formal action by the Board of Trustees is required to remove any commitment from any fund balance. At June 30, 2015, the District had no committed fund balances.

D - Assigned Fund Balance:

The assigned fund balance classification reflects amounts that the District's Board of Trustees has approved to be used for specific purposes, based on the District's intent related to those specific purposes. The Board of Trustees can designate personnel with the authority to assign fund balances, however, as of June 30, 2015, no such designation has occurred.

E - Unassigned Fund Balance:

In the General Fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes.

In any fund other than the General Fund, a positive unassigned fund balance is never reported because amounts in any other fund are assumed to have been assigned, at least, to the purpose of that fund. However, deficits in any fund, including the General Fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

Fund Balance Policy: The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances and lastly unassigned fund balances.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

While GASB Cod. Sec. 1300 and 1800 do not require districts to establish a minimum fund balance policy or a stabilization arrangement, GASB Cod. Sec. 1300 and 1800 do require the disclosure of a minimum fund balance policy and stabilization arrangements, if they have been adopted by the Board of Trustees. At June 30, 2015, the District has not established a minimum fund balance policy nor has it established a stabilization arrangement.

Property Taxes: Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Santa Clara bills and collects taxes for the District. Tax revenues are recognized by the District when received.

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. All encumbrances are liquidated as of June 30.

Estimates: The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Accordingly, actual results may differ from those estimates.

Eliminations and Reclassifications: In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

New Accounting Pronouncements: In June 2012, the GASB issued GASB Statement No. 68, Accounting and Financial Reporting for Pensions. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers and GASB Statement No. 50, Pension Disclosures, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. GASB Statement No. 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. GASB Statement No. 68 also enhances accountability and transparency through revised and new note disclosures and required supplementary information (RSI). This Statement is effective for the District's fiscal year ending June 30, 2015. Based on the implementation of GASB Statement No. 68, the District's July 1, 2014 governmental activities net position was restated by $63,342,277 because of the recognition of the beginning of year net pension liability and deferred outflows of resources.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In November 2013, the GASB issued GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date. The objective of this Statement is to address an issue regarding application of the transition provisions of GASB Statement No. 68. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This Statement amends paragraph 137 of GASB Statement No. 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. GASB Statement No. 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this Statement are required to be applied simultaneously with the provisions of GASB Statement No. 68 and are effective for the District's fiscal year ending June 30, 2015. Based on the implementation of GASB Statement No. 71, the District established a deferred outflow category to report the payments made subsequent to the measurement date of the pensions.

In February 2015, the GASB issued GASB Statement No. 72, Fair Value Measurement and Application. This Standard, which is applicable primarily to investments made by state and local governments, defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. Under GASB Statement No. 72, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investments, which generally are measured at fair value, are defined as a security or other asset that governments hold primarily for the purpose of income or profit and the present service capacity of which are based solely on their ability to generate cash or to be sold to generate cash. Before the issuance of GASB Statement No. 72, state and local governments have been required to disclose how they arrived at their measures of fair value if not based on quoted market prices. Under the new guidance, those disclosures have been expanded to categorize fair values according to their relative reliability and to describe positions held in many alternative investments. This statement is effective for the District's fiscal year ending June 30, 2016. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued GASB Statement No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68, which completes the suite of pension standards. GASB Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by GASB Statements No. 67 and No. 68). The requirements in GASB Statement No. 73 for reporting pensions generally are the same as in GASB Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The provisions in GASB Statement No. 73 are effective for fiscal years beginning after June 15, 2015, except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016. Management has not determined what impact this statement will have on its financial statements.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2015, the GASB issued GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, which replaces GASB Statement No. 43, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans. GASB Statement No. 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in GASB Statement No. 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. GASB Statement No.74 also sets forth note disclosure requirements for defined contribution OPEB plans. This statement is effective for the District's fiscal year ending June 30, 2017. Management has not determined what impact this statement will have on its financial statements.

In June 2015, the GASB issued GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, which replaces the requirements of GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions. GASB Statement No. 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide. Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability, which is the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments. Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan. Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees. GASB Statement No. 75 carries forward from GASB Statement No. 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. GASB Statement No. 75 requires governments in all types of OPEB plans to present more extensive note disclosures and required supplementary information (RSI) about their OPEB liabilities. Among the new note disclosures is a description of the effect on the reported OPEB liability of using a discount rate and a healthcare cost trend rate that are one percentage point higher and one percentage point lower than assumed by the government. The new RSI includes a schedule showing the causes of increases and decreases in the OPEB liability and a schedule comparing a government's actual OPEB contributions to its contribution requirements. Some governments are legally responsible to make contributions directly to an OPEB plan or make benefit payments directly as OPEB comes due for employees of other governments. In certain circumstances (called special funding situations) GASB Statement No. 75 requires these governments to recognize in their financial statements a share of the other government's net OPEB liability. This statement is effective for the District's fiscal year ending June 30, 2018, however, earlier application is encouraged. Management has not determined what impact this statement will have on its financial statements, however it is expected to be significant.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In June 2015, the GASB issued GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments, which reduces the GAAP hierarchy to two categories of authoritative GAAP from the four categories under GASB Statement No. 55, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments. The first category of authoritative GAAP consists of GASB Statements of Governmental Accounting Standards. The second category comprises GASB Technical Bulletins and Implementation Guides, as well as guidance from the AICPA that is cleared by the GASB. This Statement also addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. These changes are intended to improve financial reporting for governments by establishing a framework for the evaluation of accounting guidance that will result in governments applying that guidance with less variation. That will improve the usefulness of financial statement information for making decisions and assessing accountability and enhance the comparability of financial statement information among governments. This Statement also is intended to improve implementation guidance by elevating its authoritative status to a level that requires it be exposed for a period of broad public comment prior to issuance, as is done for other GASB pronouncements. In connection with GASB Statement No. 76, the GASB also recently cleared Implementation Guide No. 2015-1, which incorporates changes resulting from feedback received during the public exposure of all of implementation guidance previously issued. This statement is effective for the District's fiscal year ending June 30, 2016. Management has not determined what impact this statement will have on its financial statements.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments at June 30, 2015 consisted of the following:

	Governmental Activities			
	Governmental Funds	Proprietary Fund	Total	Fiduciary Activities
Pooled Funds:				
Cash in County Treasury	$ 52,427,890	$ 9,235,493	$ 61,663,383	$ -
Deposits:				
Cash on hand and in banks	5,864	77,593	83,457	1,020,711
Cash in revolving fund	4,800	-	4,800	-
Total	$ 52,438,554	$ 9,313,086	$ 61,751,640	$ 1,020,711

Pooled Funds: In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Santa Clara County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

(Continued)

NOTE 2 - CASH AND INVESTMENTS (Continued)

In accordance with applicable state laws, the Santa Clara County Treasurer may invest in derivative securities. However, at June 30, 2015, the Santa Clara County Treasurer has indicated that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk: The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to $250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. At June 30, 2015, the carrying amount of the District's accounts were $1,108,968, and the bank balances were $1,402,938. The total uninsured bank balances at June 30, 2015 were $848,435.

Interest Rate Risk: The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2015, the District had no significant interest rate risk related to cash and investments held.

Credit Risk: The District does not have a formal investment policy that limits its investment choices other than the limitations of state law.

Concentration of Credit Risk: The District does not place limits on the amount it may invest in any one issuer. At June 30, 2015, the District had no concentration of credit risk.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund Activity: Transactions between funds of the District are recorded as interfund transfers. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables: Individual fund interfund receivable and payable balances at June 30, 2015 were as follows:

Fund	Interfund Receivables	Interfund Payables
Major Funds:		
General	$ 1,088,352	$ 1,974,317
Building	147,673	54,235
County School Facilities	-	70,145
Special Reserve for Capital Projects	383,748	271,186
Non-Major Funds:		
Adult Education	128,490	97,098
Cafeteria	331,054	600,017
Deferred Maintenance	754,050	-
Capital Facilities	247,893	383,748
Proprietary Fund:		
Self-Insurance	369,486	-
	$ 3,450,746	$ 3,450,746

(Continued)

NOTE 3 - INTERFUND TRANSACTIONS (Continued)

Interfund Transfers: Interfund transfers for the 2014-2015 fiscal year were as follows:

Transfer from the General Fund to the Adult Education Fund for maintenance of effort for Adult Education.	$ 2,606,163
Transfer from the General Fund to the Deferred Maintenance Fund for deferred maintenance projects.	754,050
Transfer from the General Fund to the Cafeteria Fund for risk of economic uncertainty reserves.	544,315
Transfer from the General Fund to the Self-Insurance Fund to meet reserve requirements	75,000
	$ 3,979,528

NOTE 4 - CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2015 is shown below:

	Balance July 1, 2014	Additions	Deductions	Transfers	Balance June 30, 2015
Non-depreciable:					
Land	$ 4,037,160	$ -	$ -	$ -	$ 4,037,160
Work-in-process	807,008	5,725,599	-	(318,547)	6,214,060
Depreciable:					
Improvement of sites	59,128,372	1,088,539	-	268,652	60,485,563
Buildings	222,003,730	1,199,065	-	49,895	223,252,690
Equipment	11,337,421	1,210,256	257,664	-	12,290,013
Totals, at cost	297,313,691	9,223,459	257,664	-	306,279,486
Less accumulated depreciation:					
Improvement of sites	(11,731,508)	(2,856,595)	-	-	(14,588,103)
Buildings	(56,211,697)	(4,663,169)	-	-	(60,874,866)
Equipment	(7,877,364)	(637,678)	(198,904)	-	(8,316,138)
Total accumulated depreciation	(75,820,569)	(8,157,442)	(198,904)	-	(83,779,107)
Capital assets, net	$ 221,493,122	$ 1,066,017	$ 58,760	$ -	$ 222,500,379

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 7,750,385
All other general administration	101,153
Plant services	305,904
Total depreciation expense	$ 8,157,442

(Continued)

NOTE 5 - SELF-INSURANCE

The District is self-insured for property and liability, workers' compensation and dental claims. The District has established a separate Self-Insurance Fund for accounting and reporting purposes. For the year ended June 30, 2015, the District provides coverage up to a maximum of $250,000 for each workers' compensation claim, $75,000 for each property claim and $100,000 for each general liability claim. The District purchases commercial insurance for claims in excess of coverage provided by the Fund and for all other risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The claims liability of $2,377,356 at June 30, 2015 was actuarially determined based on the requirements of Governmental Accounting Standards Board Cod. Sec. 2300 C50.101. This liability was reported at present value using an expected future investment yield assumption of 2.5% and 2.0% for the workers' compensation and property and liability programs, respectively.

Changes in the District's claims liability amount for the year ended June 30, 2015 was as follows:

	Claims Liability July 1	Incurred Claims	Claims Payments	Claims Liability June 30
2012/2013	$ 2,206,818	$ 1,398,143	$ 1,273,506	$ 2,331,455
2013/2014	$ 2,331,455	$ 1,573,138	$ 1,448,237	$ 2,456,356
2014/2015	$ 2,456,356	$ 1,106,764	$ 1,185,764	$ 2,377,356

NOTE 6 - LONG-TERM LIABILITIES

General Obligation Bonds: On April 10, 2007 the District issued a Election 2006 General Obligation Bond, Series A, totaling $25,000,000. The Bond proceeds are being spent on renovating older classrooms, improving access for disabled students and teachers, modernizing libraries and homework centers, enhancing computer learning technology and improving facilities. Repayment of the bonds is made from special parcel tax revenues levied in connection with this bond issue. During the year ended June 30, 2015 a portion of the 2006 Series A Bonds were advance refunded, and the refunded bonds were considered defeased. At June 30, 2015, $17,900,000 of refunded bonds were still outstanding and scheduled to be paid on August 1, 2016. The remaining unrefunded bonds bear interest at rates ranging from 4.12% to 5.00% and are scheduled to mature through August 2016, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 695,000	$ 50,469	$ 745,469
2017	840,000	17,850	857,850
	$ 1,535,000	$ 68,319	$ 1,603,319

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

On March 20, 2008, the District issued a Election 2006 General Obligation Bonds, Series B totaling $30,000,000. Bond proceeds are being spent on renovating older classrooms, improving access for disabled students and teachers, modernizing libraries and homework centers, enhancing computer learning technology and improving facilities. Repayment of the bonds is made from special parcel (valorem) tax revenues levied in connection with this bond issue. During the year ended June 30, 2015 a portion of the 2006 Series A Bonds were advance refunded, and the refunded bonds were considered defeased. At June 30, 2015, $24,965,000 of refunded bonds were still outstanding and scheduled to be paid on August 1, 2017. The remaining unrefunded bonds bear interest at rates ranging from 4.13% to 5.25% and are scheduled to mature through August 2017, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 640,000	$ 59,472	$ 699,472
2017	675,000	53,888	728,888
2018	705,000	18,506	723,506
	$ 2,020,000	$ 131,866	$ 2,151,866

On May 20, 2009, the District issued 2009 General Obligation Refunding Bonds, in the aggregate principal amount of $29,240,000, for the purpose of currently refunding an outstanding issue of Election 1999 General Obligation Bonds, Series 2001. Repayment of the bonds is made from special parcel tax revenues levied in connection with this bond issue. The bonds bear interest at rates ranging from 3.50% to 5.25% and are scheduled to mature through August 2030, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 1,060,000	$ 1,182,088	$ 2,242,088
2017	1,115,000	1,127,713	2,242,713
2018	1,175,000	1,076,338	2,251,338
2019	1,220,000	1,031,488	2,251,488
2020	1,270,000	984,738	2,254,738
2021-2025	7,270,000	3,954,552	11,224,552
2026-2030	9,435,000	1,793,969	11,228,969
2031	2,180,000	54,500	2,234,500
	$ 24,725,000	$ 11,205,386	$ 35,930,386

NOTE 6 - LONG-TERM LIABILITIES (Continued)

On December 9, 2010, the District issued an Election 2006, Series C General Obligation Bonds, in the aggregate principal amount of $35,000,000, for the purpose of financing the addition and modernization of school facilities. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2040, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 645,000	$ 1,771,738	$ 2,416,738
2017	670,000	1,744,600	2,414,600
2018	700,000	1,712,863	2,412,863
2019	735,000	1,676,988	2,411,988
2020	770,000	1,639,363	2,409,363
2021-2025	4,480,000	7,562,563	12,042,563
2026-2030	5,735,000	6,269,938	12,004,938
2031-2035	9,145,000	4,540,413	13,685,413
2036-2040	8,010,000	2,125,344	10,135,344
2041	2,300,000	66,125	2,366,125
	$ 33,190,000	$ 29,109,935	$ 62,299,935

On January 1, 2012, the District issued 2012 General Obligation Refunding Bonds, in the aggregate principal amount of $14,650,000, for the purpose of refunding the outstanding principal amount of its Election 1999 General Obligation Bonds, Series 2003. The bonds bear interest at rates ranging from 3.00% to 5.00% and are scheduled to mature through August 2032, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ -	$ 661,250	$ 661,250
2017	230,000	656,650	886,650
2018	615,000	639,750	1,254,750
2019	640,000	614,650	1,254,650
2020	660,000	588,650	1,248,650
2021-2025	3,745,000	2,499,250	6,244,250
2026-2030	4,745,000	1,478,875	6,223,875
2031-2033	3,450,000	264,250	3,714,250
	$ 14,085,000	$ 7,403,325	$ 21,488,325

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

On May 23, 2013, the District issued 2013 General Obligation Refunding Bonds, in the aggregate principal amount of $16,235,000, for the purpose of refunding portions of the outstanding principal amount of the Election of 2004 General Obligation Bonds, Series D and the 2005 General Obligation Refunding Bonds. The bonds bear interest at rates ranging from 2.00% to 5.00% and are scheduled to mature through August 2034, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ -	$ 737,900	$ 737,900
2017	-	737,900	737,900
2018	355,000	730,800	1,085,800
2019	540,000	712,900	1,252,900
2020	565,000	690,800	1,255,800
2021-2025	4,695,000	2,955,950	7,650,950
2026-2030	4,350,000	1,896,000	6,246,000
2031-2035	5,470,000	710,500	6,180,500
	$ 15,975,000	$ 9,172,750	$ 25,147,750

On October 7, 2014, the District issued 2014 General Obligation Refunding Bonds, in the aggregate principal amount of $30,100,000, for the purpose of refunding all the outstanding principal amount of the Election 2004, Series D and the 2005 General Obligation Refunding Bonds. The 2014 Refunding Bonds also advance refunded a portion of the Election 2006 GO Bonds, Series A. At June 30, 2015, $17,900,000 of refunded bonds were still outstanding and scheduled to be paid on August 1, 2016. The 2014 refunding bonds bear interest at rates ranging from 2.00% to 5.00% and are scheduled to mature through August 2031, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 1,245,000	$ 1,311,250	$ 2,556,250
2017	705,000	1,288,225	1,993,225
2018	1,545,000	1,246,750	2,791,750
2019	1,610,000	1,175,600	2,785,600
2020	1,685,000	1,093,225	2,778,225
2021-2025	8,525,000	4,197,375	12,722,375
2026-2030	11,840,000	1,941,050	13,781,050
2031-2032	2,945,000	89,025	3,034,025
	$ 30,100,000	$ 12,342,500	$ 42,442,500

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Although the issuance of the 2014 General Obligation Refunding Bonds resulted in the recognition of an accounting loss of $2,021,864 for the year ended June 30, 2015, the District in effect reduced its aggregate debt service payments by $4.17 million over the next ten years, and obtained an economic gain of $3.45 million.

Calculation of difference in cash flow requirements and economic gain are as follows:

Old debt service cash flows	$ 46,927,589
New debt service cash flows	42,762,394
Cash flow difference	$ 4,165,195
Present value of old debt service cash flows	$ 38,952,437
Present value of new debt service cash flows	35,503,399
Economic gain	$ 3,449,038

On April 7, 2015, the District issued 2015 General Obligation Refunding Bonds, in the aggregate principal amount of $25,280,000, were used to advance refund a portion of the Election 2006 GO Bonds, Series B. At June 30, 2015, $24,965,000 of refunded bonds were still outstanding and scheduled to be paid on August 1, 2016. The 2014 refunding bonds bear interest at rates ranging from 2.00% to 5.00% and are scheduled to mature through August 2038, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 260,000	$ 808,213	$ 1,068,213
2017	-	1,037,275	1,037,275
2018	-	1,037,275	1,037,275
2019	755,000	1,022,175	1,777,175
2020	780,000	991,475	1,771,475
2021-2025	4,510,000	4,338,125	8,848,125
2026-2030	5,620,000	3,258,613	8,878,613
2031-2035	6,815,000	2,068,750	8,883,750
2036-2039	6,540,000	535,800	7,075,800
	$ 25,280,000	$ 15,097,701	$ 40,377,701

Although the issuance of the 2015 General Obligation Refunding Bonds resulted in the recognition of an accounting loss of $2,774,992 for the year ended June 30, 2015, the District in effect reduced its aggregate debt service payments by $2.6 million over the next ten years, and obtained an economic gain of $1.9 million.

(Continued)

NOTE 6 - LONG-TERM LIABILITIES (Continued)

Calculation of difference in cash flow requirements and economic gain are as follows:

Old debt service cash flows	$ 42,985,567
New debt service cash flows	40,377,701
Cash flow difference	$ 2,607,866
Present value of old debt service cash flows	$ 31,086,423
Present value of new debt service cash flows	29,168,152
Economic gain	$ 1,918,271

Capitalized Lease Obligations: On August 1, 2011 the District entered into a capitalized lease agreement totaling $13,000,000 to assist the District in financing a district-wide solar project. The solar project was completed during the year ended June 30, 2014 at a total cost to the District of $23,778,000. At June 30, 2015 accumulated depreciation on the solar project was $1,190,063. The capitalized lease agreement requires semi-annual principal and interest payments through August 2021, as follows:

Year Ending June 30,	Principal	Interest	Total
2016	$ 1,249,453	$ 302,519	$ 1,551,972
2017	1,293,567	258,405	1,551,972
2018	1,339,237	212,734	1,551,971
2019	1,386,521	165,451	1,551,972
2020	1,435,474	116,498	1,551,972
2021-2022	2,248,795	79,163	2,327,958
	$ 8,953,047	$ 1,134,770	$ 10,087,817

Schedule of Changes in Long-Term Liabilities: A schedule of changes in long-term liabilities for the year ended June 30, 2015 is as follows:

	Balance July 1, 2014, as Restated	Additions	Deductions	Balance June 30, 2015	Amounts Due Within One Year
General Obligation Bonds	$ 152,410,000	$ 55,380,000	$ 60,880,000	$ 146,910,000	$ 4,545,000
Unamortized Bond Premiums	5,023,634	7,450,289	502,284	11,971,639	598,444
Capitalized Lease Obligations	10,159,891	-	1,206,844	8,953,047	1,249,453
Compensated absences	254,779	78,205	-	332,984	-
Net pension liability (Note 8 and 9)	67,170,000	-	13,130,000	54,040,000	-
Other postemployment benefits (Note 10)	2,887,566	878,762	251,924	3,514,404	-
	$ 237,905,870	$ 63,787,256	$ 75,971,052	$ 225,722,074	$ 6,392,897

Payments for the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the capitalized lease obligations are made from the Special Reserve for Capital Projects Fund. Payments for the compensated absences, net pension liabilities and other postemployment benefits are made from the fund that the related employee worked.

(Continued)

NOTE 7 - NET POSITION / FUND BALANCES

The restricted net position as of June 30, 2015 consist of the following:

	Governmental Activities	Fiduciary Activities
Restricted for:		
Unspent categorical program revenues	$ 2,723,041	$ -
Special revenues	2,187,548	-
Capital projects	15,333,090	-
Debt retirement	8,323,073	-
Self-insurance	7,201,038	-
Scholarships	-	123,245
	$ 35,767,790	$ 123,245

Fund balances, by category, at June 30, 2015 consisted of the following:

	General Fund	Building Fund	County School Facilities Fund	Special Reserve for Capital Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total
Nonspendable:							
Revolving cash fund	$ 4,000	$ -	$ -	$ -	$ -	$ 800	$ 4,800
Prepaid expenditures	485,807	-	-	-	-	-	485,807
Stores inventory	28,663	-	-	-	-	18,117	46,780
Subtotal nonspendable	518,470	-	-	-	-	18,917	537,387
Restricted:							
Unspent categorical revenues	2,723,041	-	-	-	-	-	2,723,041
Adult Education	-	-	-	-	-	594,724	594,724
Deferred Maintenance	-	-	-	-	-	1,592,824	1,592,824
Capital projects	-	7,830,681	6,141,012	9,181,019	-	11,059	23,163,771
Debt service	-	-	-	-	8,323,073	-	8,323,073
Subtotal restricted	2,723,041	7,830,681	6,141,012	9,181,019	8,323,073	2,198,607	36,397,433
Assigned:							
Parcel taxes	6,770,270	-	-	-	-	-	6,770,270
Restoration and expansion	4,525,868	-	-	-	-	-	4,525,868
Subtotal assigned	11,296,138	-	-	-	-	-	11,296,138
Unassigned:							
Designated for economic uncertainty	2,533,958	-	-	-	-	-	2,533,958
Unassigned	-	-	-	-	-	(18,917)	(18,917)
Subtotal unassigned	2,533,958	-	-	-	-	(18,917)	2,515,041
Total fund balances	$ 17,071,607	$ 7,830,681	$ 6,141,012	$ 9,181,019	$ 8,323,073	$ 2,198,607	$ 50,745,999

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN

General Information about the State Teachers' Retirement Plan

Plan Description: Teaching-certified employees of the District are provided with pensions through the State Teachers' Retirement Plan (STRP) – a cost-sharing multiple-employer defined benefit pension plan administered by the California State Teachers' Retirement System (CalSTRS). The Teachers' Retirement Law (California Education Code Section 22000 et seq.), as enacted and amended by the California Legislature, established this plan and CalSTRS as the administrator. The benefit terms of the plans may be amended through legislation. CalSTRS issues a publicly available financial report that can be obtained at http://www.calstrs.com/comprehensive-annual-financial-report.

Benefits Provided: The STRP Defined Benefit Program has two benefit formulas:

- CalSTRS 2% at 60: Members first hired on or before December 31, 2012, to perform service that could be creditable to CalSTRS.
- CalSTRS 2% at 62: Members first hired on or after January 1, 2013, to perform service that could be creditable to CalSTRS.

The Defined Benefit Program provides retirement benefits based on members' final compensation, age and years of service credit. In addition, the retirement program provides benefits to members upon disability and to survivors/beneficiaries upon the death of eligible members. There are several differences between the two benefit formulas which are noted below.

CalSTRS 2% at 60

CalSTRS 2% at 60 members are eligible for normal retirement at age 60, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. Early retirement options are available at age 55 with five years of credited service or as early as age 50 with 30 years of credited service. The age factor for retirements after age 60 increases with each quarter year of age to 2.4 percent at age 63 or older. Members who have 30 years or more of credited service receive an additional increase of up to 0.2 percent to the age factor, known as the career factor. The maximum benefit with the career factor is 2.4 percent of final compensation.

CalSTRS calculates retirement benefits based on a one-year final compensation for members who retired on or after January 1, 2001, with 25 or more years of credited service, or for classroom teachers with less than 25 years of credited service if the employer elected to pay the additional benefit cost prior to January 1, 2014. One-year final compensation means a member's highest average annual compensation earnable for 12 consecutive months calculated by taking the creditable compensation that a member could earn in a school year while employed on a fulltime basis, for a position in which the person worked. For members with less than 25 years of credited service, final compensation is the highest average annual compensation earnable for any three consecutive years of credited service.

CalSTRS 2% at 62

CalSTRS 2% at 62 members are eligible for normal retirement at age 62, with a minimum of five years of credited service. The normal retirement benefit is equal to 2.0 percent of final compensation for each year of credited service. An early retirement option is available at age 55. The age factor for retirement after age 62 increases with each quarter year of age to 2.4 percent at age 65 or older.

All CalSTRS 2% at 62 members have their final compensation based on their highest average annual compensation earnable for three consecutive years of credited service.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

Contributions: 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.

A summary of statutory contribution rates and other sources of contributions to the Defined Benefit Program are as follows:

Members - Under CalSTRS 2% at 60, the member contribution rate was 8.15 percent of applicable member earnings for fiscal year 2014-15. Under CalSTRS 2% at 62, members contribute 50 percent of the normal cost of their retirement plan, which resulted in a contribution rate of 8.15 percent of applicable member earnings for fiscal year 2014-15.

In general, member contributions cannot increase unless members are provided with some type of "comparable advantage" in exchange for such increases. Under previous law, the Legislature could reduce or eliminate the 2 percent annual increase to retirement benefits. As a result of AB 1469, effective July 1, 2014, the Legislature cannot reduce the 2 percent annual benefit adjustment for members who retire on or after January 1, 2014, and in exchange for this "comparable advantage," the member contribution rates have been increased by an amount that covers a portion of the cost of the 2 percent annual benefit adjustment.

Effective July 1, 2014, with the passage of AB 1469, member contributions for those under the 2% at 60 benefit structure increase from 8.0 percent to a total of 10.25 percent of applicable member earnings, phased in over the next three years. For members under the 2% at 62 benefit structure, contributions will increase from 8.0 percent to 9.205 percent of applicable member earnings, again phased in over three years, if there is no change to normal cost.

Employers – 8.88 percent of applicable member earnings.

In accordance with AB 1469, employer contributions will increase from 8.25 percent to a total of 19.1 percent of applicable member earnings phased in over seven years starting in 2014. The new legislation also gives the board limited authority to adjust employer contribution rates from July 1, 2021 through June 2046 in order to eliminate the remaining unfunded actuarial obligation related to service credited to members prior to July 1, 2014. The board cannot adjust the rate by more than 1 percent in a fiscal year, and the total contribution rate in addition to the 8.25 percent cannot exceed 12 percent.

The CalSTRS employer contribution rate increases effective for fiscal year 2014-15 through fiscal year 2045-46 are summarized in the table below:

Effective Date	Prior Rate	Increase	Total
July 01, 2014	8.25%	0.63%	8.88%
July 01, 2015	8.25%	2.48%	10.73%
July 01, 2016	8.25%	4.33%	12.58%
July 01, 2017	8.25%	6.18%	14.43%
July 01, 2018	8.25%	8.03%	16.28%
July 01, 2019	8.25%	9.88%	18.13%
July 01, 2020	8.25%	10.85%	19.10%
July 01, 2046	8.25%	Increase from prior rate ceases in 2046-47	

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

The District contributed $3,147,185 to the plan for the fiscal year ended June 30, 2015.

State - 5.954 percent of the members' creditable earnings from the fiscal year ending in the prior calendar year.

Additionally, beginning October 1, 1998, a statutory contribution rate of 0.524 percent, adjustable annually in 0.25 percent increments up to a maximum of 1.505 percent, of the creditable earnings from the fiscal year ending in the prior calendar year per Education Code Section 22955(b). This contribution is reduced to zero if there is no unfunded actuarial obligation and no normal cost deficit for benefits in place as of July 1, 1990. Based on the actuarial valuation, as of June 30, 2012 there was no normal cost deficit, but there was an unfunded obligation for benefits in place as of July 1, 1990. As a result, the state was required to make quarterly payments starting October 1, 2013, at an additional contribution rate of 1.024 percent. As of June 30, 2014, the state contributed $200.7 million of the $267.6 million total amount for fiscal year 2013-14. As a result of AB 1469, the fourth quarterly payment of $66.9 million was included in an increased first quarter payment of $94 million for the 2014-15 fiscal year, which was transferred on July 1, 2014.

In accordance with AB 1469, the portion of the state appropriation under Education Code Section 22955(b) that is in addition to the 2.017 percent has been replaced by section 22955.1(b) in order to fully fund the benefits in effect as of 1990 by 2046. The additional state contribution will increase from 1.437 percent in 2014-15 to 4.311 percent in 2016-17. The increased contributions end as of fiscal year 20462047.

The CalSTRS state contribution rates effective for fiscal year 2014-15 and beyond are summarized in the table below:

Effective Date	Base Rate	AB 1469 Increase For 1990 Benefit Structure	SBMA Funding	Total State Appropriation to DB Program
July 01, 2014	2.017%	1.437%	2.50%	5.954%
July 01, 2015	2.017%	2.874%	2.50%	7.391%
July 01, 2016	2.017%	4.311%	2.50%	8.828%
July 01, 2017 to June 30, 2046	2.017%	4.311%*	2.50%	8.828%*
July 01, 2046 and thereafter	2.017%	*	2.50%	4.571%*

* The new legislation also gives the board limited authority to adjust state contribution rates from July 1, 2017, through June 2046 in order to eliminate the remaining unfunded actuarial obligation associated with the 1990 benefit structure. The board cannot increase the rate by more than 0.50 percent in a fiscal year, and if there is no unfunded actuarial obligation, the contribution rate imposed to pay for the 1990 benefit structure shall be reduced to 0 percent. Rates in effect prior to July 1, 2014, are reinstated if necessary to address any remaining 1990 unfunded actuarial obligation from July 1, 2046, and thereafter.

(Continued)

NOTE 8 - NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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

At June 30, 2015, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	$ 44,030,000
State's proportionate share of the net pension liability associated with the District	26,588,000
Total	$ 70,618,000

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating school Districts and the State. At June 30, 2014, the District's proportion was 0.075 percent, which was an increase of zero from its proportion measured as of June 30, 2013.

For the year ended June 30, 2015, the District recognized pension expense of $6,083,673 and revenue of $2,731,190 for support provided by the State. At June 30, 2015, 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
Difference between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	10,842,000
Changes in proportion and differences between District contributions and proportionate share of contributions	-	-
Contributions made subsequent to measurement date	3,147,185	-
Total	$ 3,147,185	$ 10,842,000

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

$3,147,185 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	
2016	$ 2,710,500
2017	$ 2,710,500
2018	$ 2,710,500
2019	$ 2,710,500

Differences between expected and actual experience and changes in assumptions are amortized over a closed period equal to the average remaining service life of plan members, which is 7 years as of June 30, 2014. The STRP net pension liability as of June 30, 2013 and the STRP net pension liability as of June 30, 2014 are based on the June 30, 2013 actuarial valuation for the first year of implementation. As a result there are no differences between expected and actual experience or changes in assumptions subject to amortization. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the STRP was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2013
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 Not applicable for DBS/CBB

CalSTRS uses custom mortality tables to best fit the patterns of mortality among its members. These custom tables are based on RP2000 series tables 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.

(Continued)

NOTE 8 – NET PENSION LIABILITY – STATE TEACHERS' RETIREMENT PLAN (Continued)

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 as an input to the process. Based on the model from CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that annual returns are log normally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. 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 that contributions from plan members and employers will be made at statutory contribution rates in accordance with the rate increase per Assembly Bill 1469. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments, and administrative expense occur midyear. Based on those assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.60 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.60 percent) or 1-percentage-point higher (8.60 percent) than the current rate:

	1% Decrease (6.60%)	Current Discount Rate (7.60%)	1% Increase (8.60%)
District's proportionate share of the net pension liability	$ 68,632,000	$ 44,030,000	$ 23,517,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalSTRS financial report.

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B

General Information about the Public Employer's Retirement Fund B

Plan Description: The schools cost-sharing multiple-employer defined benefit pension plan Public Employer's Retirement Fund B (PERF B) is administered by the California Public Employees' Retirement System (CalPERS). Plan membership consists of non-teaching and non-certified employees of public schools (K-12), community college districts, offices of education, charter and private schools (elective) in the State of California.

The Plan was established to provide retirement, death and disability benefits to non-teaching and noncertified employees in schools. The benefit provisions for Plan employees are established by statute. CalPERS issues a publicly available financial report that can be obtained at https://www.calpers.ca.gov/docs/forms-publications/cafr-2014.pdf.

Benefits Provided: The benefits for the defined benefit plans are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years (10 years for State Second Tier members) of credited service.

Contributions: The benefits for the defined benefit pension plans are funded by contributions from members and employers, and earnings from investments. Member and employer contributions are a percentage of applicable member compensation. Member contribution rates are defined by law and depend on the respective employer's benefit formulas. Employer contribution rates are determined by periodic actuarial valuations or by state statute. Actuarial valuations are based on the benefit formulas and employee groups of each employer. Employer contributions, including lump sum contributions made when agencies first join the PERF, are credited with a market value adjustment in determining contribution rates.

The required contribution rates of most active plan members are based on a percentage of salary in excess of a base compensation amount ranging from zero dollars to $863 monthly.

Required contribution rates for active plan members and employers as a percentage of payroll for the year ended June 30, 2015 were as follows:

Members - The member contribution rate was 6.0 or 7.0 percent of applicable member earnings for fiscal year 2014-15.

Employers - The employer contribution rate was 11.771 percent of applicable member earnings.

The District contributed $1,109,622 to the plan for the fiscal year ended June 30, 2015.

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

At June 30, 2015, the District reported a liability of $10,010,000 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all participating school Districts. At June 30, 2014, the District's proportion was 0.088 percent, which was an increase of 0.002 percent from its proportion measured as of June 30, 2013.

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

For the year ended June 30, 2015, the District recognized pension expense of $957,050. At June 30, 2015, 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
Difference between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on investments	-	3,439,000
Changes in proportion and differences between District contributions and proportionate share of contributions	207,000	-
Contributions made subsequent to measurement date	1,109,622	-
Total	$ 1,316,622	$ 3,439,000

$1,109,622 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years Ended June 30,	
2016	$ 790,750
2017	$ 790,750
2018	$ 790,750
2019	$ 859,750

Differences between expected and actual experience, changes in assumptions and changes in proportion are amortized over a closed period equal to the average remaining service life of plan members, which is 4 years as of June 30, 2013. Deferred outflows and inflows related to differences between projected and actual earnings on plan investments are netted and amortized over a closed 5-year period.

Actuarial Methods and Assumptions: The total pension liability for the Plan was determined by applying update procedures to a financial reporting actuarial valuation as of June 30, 2013, and rolling forward the total pension liability to June 30, 2014. The financial reporting actuarial valuation as of June 30, 2013, used the following actuarial methods and assumptions, applied to all prior periods included in the measurement:

Valuation Date	June 30, 2013
Experience Study	July 1, 2006, through June 30, 2010
Actuarial Cost Method	Entry age normal
Investment Rate of Return	7.50%
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

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found at CalPERS' website.

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.

Asset Class	Long-Term* Assumed Asset Allocation	Expected Real Rate of Return
Global Equity	47%	5.25%
Global Fixed Income	19	0.99
Inflation Sensitive	6	0.45
Private Equity	12	6.83
Real Estate	11	4.50
Infrastructure & Forestland	3	4.50
Liquidity	2	(0.55)

* 10-year geometric average

Discount Rate: The discount rate used to measure the total pension liability was 7.50 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 Plan. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained at CalPERS' website.

According to Paragraph 30 of GASB Statement No. 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in the actuarial valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. This difference was deemed immaterial to the Plan and the District.

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.

(Continued)

NOTE 9 – NET PENSION LIABILITY – PUBLIC EMPLOYER'S RETIREMENT FUND B (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected cash flows of the Plan. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
District's proportionate share of the net pension liability	$ 17,510,000	$ 10,010,000	$ 3,649,000

Pension Plan Fiduciary Net Position: Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Notes 7 and 8, the District provides postretirement health care benefits to all employees who retire from the District after attaining age 55 with at least 15 years of service, in accordance with contracts between the District and employee groups. Benefits are provided for classified retirees to age 65 or for 120 months, and for certificated retirees to age 65. The District pays half the cost of medical benefits for certificated and classified retirees, recognized as expenditures on a pay-as-you-go basis.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 Cod. Sec. P50.108-.109. 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	$ 858,123
Interest on net OPEB obligation	115,503
Adjustment to annual required contribution	(94,864)
Annual OPEB cost (expense)	878,762
Contributions made	(251,924)
Increase in net OPEB obligation	626,838
Net OPEB obligation - beginning of year	2,887,566
Net OPEB obligation - end of year	$ 3,514,404

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, 2015 and preceding two years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	$ 828,875	25.3%	$ 2,259,687
June 30, 2014	$ 853,646	26.4%	$ 2,887,566
June 30, 2015	$ 878,762	-29%	$ 3,514,404

As of July 1, 2012, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was $7,366,467, and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of $7,366,467. The covered payroll (annual payroll of active employees covered by the Plan) was $41,090,109, and the ratio of the UAAL to the covered payroll was 17.9 percent. The OPEB plan is currently operated as a single-employer pay-as-you-go plan, and does not issue stand-alone financial statements.

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. The schedule of funding progress, shown as Required Supplementary Information, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

(Continued)

NOTE 10 - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 benefit 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 July 1, 2012 actuarial valuation, the projected unit cost method was used. The actuarial assumptions included a 4.0 percent investment rate (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan on the valuation date, and an annual healthcare cost trend rate of 8 percent. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2015, was 27 years.

NOTE 11 - JOINT POWERS AGREEMENTS

Metropolitan Education District: The District participates in a Joint Powers Authority with the Metropolitan Education District ("MetroEd") which administers and operates the Regional Occupational, Vocational Education and Adult Education programs for member school districts.

Each member school district has a representative on the Governing Board which is responsible for adopting an annual budget and overall management of MetroEd's activities. MetroEd receives most of its annual operating funds from each of the participating school district's Adult Education and General Funds.

Condensed financial information of MetroEd for the year ended June 30, 2014 (the latest information available) is as follows:

Total assets	$	48,631,648
Total liabilities	$	3,878,996
Total net position	$	44,752,652
Total revenue	$	19,028,861
Total expenses	$	20,985,306

The District's share of year-end assets, liabilities or fund equity has not been calculated by MetroEd.

School Project for Utility Rate Reduction: The District is a member with approximately 150 school districts, community college districts and county offices of education in a Joint Power Authority, School Project for Utility Rate Reduction (SPURR). SPURR was established in 1989 to provide for the direct purchase of gas, electricity, and other utility services. SPURR also provides advisory services relative to utilities.

(Continued)

NOTE 11 - JOINT POWERS AGREEMENTS (Continued)

The following is a summary of the financial information for SPURR at June 30, 2014 (the latest information available):

Total assets	$	12,618,781
Total liabilities	$	7,684,404
Total net position	$	4,934,377
Total revenues	$	33,761,565
Total expenses	$	34,862,844

The relationship between the District and the Joint Powers Authorities is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

West Valley Schools Transportation Agency: The District participates in a Joint Powers Authority with the West Valley Schools Transportation Agency ("WVSTA") to provide transportation for the District's special education students.

Each member school district has a representative on the Governing Board which is responsible for adopting an annual budget and overall management of WVSTA's activities. WVSTA receives most of its annual operating funds from each of the participating school district's annual member contribution to the Joint Powers Authority.

The following is a summary of the financial information for WVSTA at June 30, 2014 (the latest information available):

Total assets	$	704,426
Total liabilities	$	360,323
Total net position	$	344,103
Total revenues	$	3,405,711
Total expenses	$	3,405,294

The relationship between the District and the Joint Powers Authorities is such that the Joint Powers Authorities are not component units of the District for financial reporting purposes.

NOTE 12 - CONTINGENT LIABILITIES

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

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

REQUIRED SUPPLEMENTARY INFORMATION

CAMPBELL UNION HIGH SCHOOL DISTRICT
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended June 30, 2015

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues:				
Local Control Funding Formula:				
State apportionment	$ 5,086,007	$ 5,091,722	$ 5,104,972	$ 13,250
Local sources	64,954,394	65,658,387	65,528,545	(129,842)
Total Local Control Funding Formula	70,040,401	70,750,109	70,633,517	(116,592)
Federal sources	1,748,438	1,615,904	1,699,855	83,951
Other state sources	2,762,250	3,546,834	6,136,396	2,589,562
Other local sources	7,016,789	7,452,431	7,265,842	(186,589)
Total revenues	81,567,878	83,365,278	85,735,610	2,370,332
Expenditures:				
Current:				
Certificated salaries	35,560,497	35,427,156	35,030,628	396,528
Classified salaries	9,485,795	9,487,382	9,308,262	179,120
Employee benefits	16,459,831	19,592,060	19,313,485	278,575
Books and supplies	3,847,271	4,640,651	4,269,641	371,010
Contract services and operating expenditures	8,680,457	9,694,644	9,794,885	(100,241)
Other outgo	4,324,244	3,916,958	4,295,658	(378,700)
Capital outlay	750,000	829,098	864,072	(34,974)
Total expenditures	79,108,095	83,587,949	82,876,631	711,318
Excess (deficiency) of revenues over (under) expenditures	2,459,783	(222,671)	2,858,979	3,081,650
Other financing uses:				
Operating transfers out	(3,772,920)	(3,807,294)	(3,979,528)	(172,234)
Net change in fund balance	(1,313,137)	(4,029,965)	(1,120,549)	2,909,416
Fund balance, July 1, 2014	18,192,156	18,192,156	18,192,156	-
Fund balance, June 30, 2015	$ 16,879,019	$ 14,162,191	$ 17,071,607	$ 2,909,416

See accompanying notes to required supplementary information.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB)
FUNDING PROGRESS
For the Year Ended June 30, 2015

Schedule of Funding Progress

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
February 9, 2008	$ -	$ 4,810,284	$ 4,810,284	0%	$ 42,309,740	11.4%
May 11, 2011	$ -	$ 5,194,279	$ 5,194,279	0%	$ 40,646,690	12.8%
July 1, 2012	$ -	$ 7,366,467	$ 7,366,467	0%	$ 41,090,109	17.9%

See accompanying notes to required supplementary information.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2015

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015
District's proportion of the net pension liability	0.075%
District's proportionate share of the net pension liability	$ 44,030,000
State's proportionate share of the net pension liability associated with the District	26,588,000
Total net pension liability	$ 70,618,000
District's covered-employee payroll	$ 33,560,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	131.20%
Plan fiduciary net position as a percentage of the total pension liability	76.52%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
For the Year Ended June 30, 2015

Public Employer's Retirement Fund B
Last 10 Fiscal Years

		2015
District's proportion of the net pension liability		0.088%
District's proportionate share of the net pension liability	$	10,010,000
District's covered-employee payroll	$	9,256,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		108.15%
Plan fiduciary net position as a percentage of the total pension liability		83.38%

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

All years prior to 2015 are not available.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2015

State Teachers' Retirement Plan
Last 10 Fiscal Years

	2015
Contractually required contribution	$ 3,147,185
Contributions in relation to the contractually required contribution	3,147,185
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 35,441,000
Contributions as a percentage of covered-employee payroll	8.88%

All years prior to 2015 are not available.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
For the Year Ended June 30, 2015

Public Employer's Retirement Fund B
Last 10 Fiscal Years

	2015
Contractually required contribution	$ 1,109,622
Contributions in relation to the contractually required contribution	1,109,622
Contribution deficiency (excess)	$ -
District's covered-employee payroll	$ 9,427,000
Contributions as a percentage of covered-employee payroll	11.77%

All years prior to 2015 are not available.

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.

Excess of expenditures over appropriations for the year ended June 30, 2015 were as follows:

Fund	Excess Expenditures
General Fund:	
Contract services and other operating expenditures	$ 100,241

These excesses are not in accordance with Education Code Section 42600.

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

The Schedule of the District's Proportionate Share of the Net Pension Liability is presented to illustrate the elements of the District's Net Pension Liability. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

D – Schedule of the District's Contributions

The Schedule of the District's Contributions is presented to illustrate the District's required contributions relating to the pensions. There is a requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

E – Changes of Benefit Terms

There are no changes in benefit terms reported in the Required Supplementary Information.

F - Changes of Assumptions

There are no changes in assumptions reported in the Required Supplementary Information.

SUPPLEMENTARY INFORMATION

CAMPBELL UNION HIGH SCHOOL DISTRICT
COMBINING BALANCE SHEET
ALL NON-MAJOR FUNDS
June 30, 2015

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total
ASSETS					
Cash and investments:					
Cash in County Treasury	$ 610,346	$ 16,705	$ 849,099	$ 271,222	$ 1,747,372
Cash on hand and in banks	200	1,981	-	-	2,181
Cash in revolving fund	-	800	-	-	800
Receivables	255,243	250,758	-	328	506,329
Stores inventory	-	18,117	-	-	18,117
Due from other funds	128,490	331,054	754,050	247,893	1,461,487
Total assets	$ 994,279	$ 619,415	$ 1,603,149	$ 519,443	$ 3,736,286
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 302,457	$ 19,398	$ 10,325	$ 124,636	$ 456,816
Due to other funds	97,098	600,017	-	383,748	1,080,863
Total liabilities	$ 399,555	$ 619,415	$ 10,325	$ 508,384	$ 1,537,679
Fund balances:					
Nonspendable	-	18,917	-	-	18,917
Restricted	594,724	-	1,592,824	11,059	2,198,607
Unassigned	-	(18,917)	-	-	(18,917)
Total fund balances	594,724	-	1,592,824	11,059	2,198,607
Total liabilities and fund balances	$ 994,279	$ 619,415	$ 1,603,149	$ 519,443	$ 3,736,286

CAMPBELL UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCES
ALL NON-MAJOR FUNDS
For the Year Ended June 30, 2015

	Adult Education Fund	Cafeteria Fund	Deferred Maintenance Fund	Capital Facilities Fund	Total
Revenues:					
Federal sources	$ 277,095	$ 414,015	$ -	$ -	$ 691,110
Other state sources	97,105	36,091	-	-	133,196
Other local sources	416,906	356,832	-	280,182	1,053,920
Total revenues	791,106	806,938	-	280,182	1,878,226
Expenditures:					
Current:					
Certificated salaries	1,499,929	-	-	-	1,499,929
Classified salaries	567,972	434,775	-	-	1,002,747
Employee benefits	945,155	240,198	-	-	1,185,353
Books and supplies	119,341	654,533	-	-	773,874
Contract services and operating expenditures	206,398	23,300	-	-	229,698
Capital outlay	768,941	6,172	505,876	666,821	1,947,810
Total expenditures	4,107,736	1,358,978	505,876	666,821	6,639,411
Deficiency of revenues under expenditures	(3,316,630)	(552,040)	(505,876)	(386,639)	(4,761,185)
Other financing sources:					
Operating transfers in	2,606,163	544,315	754,050	-	3,904,528
Net change in fund balances	(710,467)	(7,725)	248,174	(386,639)	(856,657)
Fund balances, July 1, 2014	1,305,191	7,725	1,344,650	397,698	3,055,264
Fund balances, June 30, 2015	$ 594,724	$ -	$ 1,592,824	$ 11,059	$ 2,198,607

CAMPBELL UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
STUDENT BODY FUNDS				
Del Mar High School				
Assets:				
Cash on hand and in banks	$ 107,252	$ 483,245	$ 508,410	$ 82,087
Liabilities:				
Due to student groups	$ 107,252	$ 483,245	$ 508,410	$ 82,087
Leigh High School				
Assets:				
Cash on hand and in banks	$ 197,405	$ 1,386,076	$ 1,379,556	$ 203,925
Liabilities:				
Due to student groups	$ 197,405	$ 1,386,076	$ 1,379,556	$ 203,925
Westmont High School				
Assets:				
Cash on hand and in banks	$ 234,327	$ 1,150,918	$ 1,068,812	$ 316,433
Liabilities:				
Due to student groups	$ 234,327	$ 1,150,918	$ 1,068,812	$ 316,433
Branham High School				
Assets:				
Cash on hand and in banks	$ 154,512	$ 1,213,021	$ 1,206,289	$ 161,244
Liabilities:				
Due to student groups	$ 154,512	$ 1,213,021	$ 1,206,289	$ 161,244

(Continued)

CAMPBELL UNION HIGH SCHOOL DISTRICT
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL AGENCY FUNDS
For the Year Ended June 30, 2015

	Balance July 1, 2014	Additions	Deductions	Balance June 30, 2015
STUDENT BODY FUNDS (Continued)				
Prospect High School				
Assets:				
Cash on hand and in banks	$ 187,413	$ 859,834	$ 913,470	$ 133,777
Liabilities:				
Due to student groups	$ 187,413	$ 859,834	$ 913,470	$ 133,777
Total Agency Funds				
Assets:				
Cash on hand and in banks	$ 880,909	$ 5,093,094	$ 5,076,537	$ 897,466
Liabilities:				
Due to student groups	$ 880,909	$ 5,093,094	$ 5,076,537	$ 897,466

ORGANIZATION

For the Year Ended June 30, 2015

Campbell Union High School District was established on September 1, 1900 and is comprised of an area of approximately 28 square miles located in Santa Clara County. There were no changes in the boundaries of the District during the current year. At June 30, 2015, the District operated five comprehensive high schools and one alternative education school.

The Board of Trustees of Campbell Union High School District is comprised of five members elected at large within the boundaries of the District. The Board and Administration manage and control the affairs of the District.

BOARD OF TRUSTEES

Name	Office	Term Expires
Matthew Dean	President	November 2018
Stacey Brown	Clerk	November 2018
Wendy Dillingham-Plew	Alt. Clerk	November 2018
Kalen Gallagher	Member	November 2016
Linda Goytia	Member	November 2016

ADMINISTRATION

Mr. Patrick Gaffney
Superintendent

Ms. Tanya Krause
Deputy Superintendent - Human Resources

Mr. Brett McFadden
Assistant Superintendent - Business Services

Ms. Mary Streshly
Assistant Superintendent - Curriculum & Instruction

CAMPBELL UNION HIGH SCHOOL DISTRICT AUDIT
SCHEDULE OF AVERAGE DAILY ATTENDANCE
For the Year Ended June 30, 2015

	Second Period Report	Annual Report
Secondary:		
Regular Classes	6,863	6,824
Special Education	25	27
Compulsory Continuation Education	161	157
Community Day School	23	21
	7,072	7,029

See accompanying notes to supplementary information.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF INSTRUCTIONAL TIME
For the Year Ended June 30, 2015

Grade Level	Statutory 1986-87 Minutes Requirement	Reduced 1986-87 Minutes Requirement	Actual Minutes	Number of Days Traditional Calendar	Status
Grade 9	64,800	63,000	66,120	180	In Compliance
Grade 10	64,800	63,000	66,120	180	In Compliance
Grade 11	64,800	63,000	66,120	180	In Compliance
Grade 12	64,800	63,000	66,120	180	In Compliance

See accompanying notes to supplementary information.

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF EXPENDITURE OF FEDERAL AWARDS
For the Year Ended June 30, 2015

Federal Catalog Number	Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Pass-Through Entity Identifying Number	Federal Expend-itures
U.S. Department of Education - Passed through California Department of Education			
	Special Education cluster:		
84.027	Special Ed - IDEA: Basic Local Assistance, Part B	13379	$ 1,071,021
84.027A	Special Ed - IDEA: Mental Health, Part B, Sec 611	14468	220,462
	Subtotal Special Education cluster		1,291,483
	Adult Education cluster:		
84.002A	Adult Education: Adult Basic Education and ESL (Section 231)	14508	217,205
84.002	Adult Education: Adult Secondary Education	13978	15,158
84.002A	Adult Education: English Literacy & Civics Education	14109	44,731
	Subtotal Adult Education cluster		277,094
	Title III programs		
84.365	NCLB: Title III, Immigrant Education Program	15146	15,921
84.365	NCLB: Title III, Limited English Proficiency (LEP) Student Program	14346	74,001
	Subtotal Title III programs		89,922
84.126	Department of Rehabilitation: Workability II, Transitions Partnership Program	10006	6,975
84.367	NCLB: Title II, Part A, Improving Teacher Quality Local Grants	14341	142,615
84.048	Vocational Programs: Voc and Applied Technology Secondary I C, Sec 131 (Carl Perkins Act)	14894	168,861
	Total U.S. Department of Education		1,976,950
U.S. Department of Agriculture - Passed through California Department of Education			
10.555	Child Nutrition: School Programs	13390	414,015
	Total Federal programs		$ 2,390,965

See accompanying notes to supplementary information.

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

CAMPBELL UNION HIGH SCHOOL DISTRICT
SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
For the Year Ended June 30, 2015
UNAUDITED

	(Budgeted) 2016	2015	2014	2013
General Fund				
Revenues and other financing sources	$ 89,694,232	$ 85,735,610	$ 79,738,202	$ 70,099,202
Expenditures	84,065,971	82,876,631	78,132,831	67,798,570
Other uses and transfers out	1,198,131	3,979,528	3,606,414	408,533
Total outgo	85,264,102	86,856,159	81,739,245	68,207,103
Change in fund balance	$ 4,430,130	$ (1,120,549)	$ (2,001,043)	$ 1,892,099
Ending fund balance	$ 21,501,737	$ 17,071,607	$ 18,192,156	$ 20,193,199
Available reserves	$ 2,620,699	$ 2,533,958	$ 2,118,074	$ 2,118,074
Designated for economic uncertainties	$ 2,620,699	$ 2,533,958	$ 2,343,957	$ 2,118,074
Undesignated fund balance	$ -	$ -	$ -	$ -
Available reserves as percentages of total outgo	3.07%	2.91%	2.86%	3.10%
All Funds				
Total long-term liabilities	$219,329,177	$225,722,074	$170,735,870	$175,171,873
Average daily attendance at P-2	7,275	7,072	6,979	7,031

The General Fund fund balance has decreased by $1,229,493 over the past three fiscal years. The fiscal year 2015-16 budget projects an increase of $4,430,130. For a district this size, the State of California recommends available reserves of at least 3% of total General Fund expenditures, transfers out, and other uses to be maintained. For the year ended June 30, 2015, the District has not met this requirement.

The District has incurred operating deficits in two of the past three years, and anticipates an operating surplus during the 2015-16 fiscal year.

Total long-term liabilities have increased by $50,550,201 over the past two years, primarily due to the implementation of GASB Statement Nos. 68 and 71.

Average daily attendance has increased by 41 over the past two years and is anticipated to increase by 203 during the year ending June 30, 2016.

See accompanying notes to supplementary information.

Charter Schools Chartered by District	Included in District Financial Statements, or Separate Report

There are no charter schools operating under the District.

See accompanying notes to supplementary information.

NOTE 1 - PURPOSE OF 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

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. This schedule presents information on the amount of instructional time offered by the District, and whether the District complied with the provisions of Education Code Sections 46201 through 46206.

C - Schedule of Expenditure of Federal Awards

OMB Circular A-133 requires a disclosure of the financial activities of all federally funded programs. This schedule was prepared to comply with A-133 requirements, and is presented on the modified accrual basis of accounting.

D - Reconciliation of Unaudited Actual Financial Report with Audited Financial Statements

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

E - Schedule of Financial Trends and Analysis (Unaudited)

This schedule provides trend information on the District's financial condition over the past three years and its anticipated condition for the 2015-2016 fiscal year, as required by the State Controller's Office. The information on this schedule was derived from audited information.

F - Schedule of Charter Schools

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

NOTE 2 - EARLY RETIREMENT INCENTIVE PROGRAM

Education Code Section 14503 requires certain disclosure in the financial statements of districts which adopt Early Retirement Incentive Programs pursuant to Education Code Section 22714 and 44929. For the fiscal year ended June 30, 2015, the District did not adopt such a program.

Crowe Horwath.

Crowe Horwath LLP
Independent Member Crowe Horwath International

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

Board of Trustees
Campbell Union High School District
San Jose, California

Report on Compliance with State Laws and Regulations

We have audited Campbell Union High School District's compliance with the types of compliance requirements described in the State of California's *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting* to the state laws and regulations listed below for the year ended June 30, 2015.

Description	Procedures Performed
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	No, see below
Independent Study	No, see below
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratio of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No, see below
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No, see below
Middle or Early College High Schools	Yes
K-3 Grade Span Adjustment	No, see below
Transportation Maintenance of Effort	Yes
Regional Occupational Centers or Programs Maintenance of Effort	Yes
Adult Education Maintenance of Effort	Yes
California Clean Energy Jobs Act	Yes
After School Education and Safety Program:	
General requirements	No, see below
After school	No, see below
Before school	No, see below
Proper Expenditure of Education Protection Account Funds	Yes
Common Core Implementation Funds	Yes
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control and Accountability Plan	Yes
Attendance, for charter schools	No, see below
Mode of Instruction, for charter schools	No, see below
Nonclassroom-Based Instruction/Independent Study, for charter schools	No, see below
Determination of Funding for Nonclassroom-Based Instruction, for charter schools	No, see below
Annual Instructional Minutes - Classroom-Based, for charter schools	No, see below
Charter School Facility Grant Program	No, see below

(Continued)

We did not perform any procedures related to Kindergarten Continuance or K-3 Grade Span Adjustment because the District is a High School District, and does not generate Average Daily Attendance (ADA) from Kindergarten.

We did not perform any procedures related to Independent Study because the ADA generated by the program was below the level that requires testing.

We did not perform any procedures related to Early Retirement Incentive Program because the District did not offer this program in the current year.

We did not perform any procedures related to Juvenile Court Schools or After School Education and Safety Program because the District does not participate in any of these programs.

We did not perform any procedures related to charter schools because the District does not include any charter schools in this report.

Management's Responsibility

Management is responsible for compliance with the requirements of state laws and regulations, as listed above.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance with state laws and regulations as listed above, of Campbell Union High School District. 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 *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the state laws and regulations listed above occurred. An audit includes examining, on a test basis, evidence about Campbell 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 on compliance with state laws and regulations. However, our audit does not provide a legal determination of Campbell Union High School District's compliance.

Basis for Qualified Opinion with State Laws and Regulations

As described in Finding 2015-001 in the accompanying Schedule of Audit Findings and Questioned Costs, Campbell Union High School District did not comply with the requirements regarding School Accountability Report Card. Compliance with such requirements is necessary, in our opinion, for Campbell Union High School District to comply with state laws and regulations applicable to this program.

Qualified Opinion with State Laws and Regulations

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Campbell Union High School District complied, in all material respects, with the state laws and regulations referred to above for the year ended June 30, 2015. Further, based on our examination, for items not tested, nothing came to our attention to indicate that Campbell Union High School District had not complied with the state laws and regulations.

Other Matters

Campbell Union High School District's response to the noncompliance finding identified in our audit is described in the accompanying Schedule of Audit Findings and Questioned Costs. Campbell Union High School District's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

(Continued)

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 *2014-15 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting.* Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 15, 2015

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
Campbell Union High School District
San Jose, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Campbell Union High School District as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Campbell Union High School District's basic financial statements, and have issued our report thereon dated December 15, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Campbell 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 Campbell Union High School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Campbell 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Campbell 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*.

(Continued)

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 15, 2015

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Board of Trustees
Campbell Union High School District
San Jose, California

Report on Compliance for Each Major Federal Program

We have audited Campbell Union High School District's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Campbell Union High School District's major federal programs for the year ended June 30, 2015. Campbell 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 Campbell 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Campbell 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Campbell Union High School District's compliance.

Opinion on Each Major Federal Program

In our opinion, Campbell 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, 2015.

(Continued)

Report on Internal Control Over Compliance

Management of Campbell 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 Campbell 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 OMB Circular A-133, 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 Campbell 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 internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

Purpose of this Report

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 15, 2015

FINDINGS AND RECOMMENDATIONS

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 not considered to be material weakness(es)?	______ Yes	X None reported
Noncompliance material to financial statements noted?	______ Yes	X No

FEDERAL AWARDS

Internal control over major programs:		
Material weakness(es) identified?	______ Yes	X No
Significant deficiency(ies) identified not considered to be material weakness(es)?	______ 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 Circular A-133, Section .510(a)?	______ Yes	X No

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.027, 84.027A	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 300,000	
Auditee qualified as low-risk auditee?	X Yes	______ No

STATE AWARDS

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

(Continued)

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

(Continued)

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

(Continued)

SECTION IV - STATE AWARD FINDINGS AND QUESTIONED COSTS

2015-001 DEFICIENCY - SCHOOL ACCOUNTABILITY REPORT CARD (72000)

Criteria

Education Code Section 35186 (a) A school district shall use the uniform complaint process it has adopted as required by Chapter 5.1 (commencing with Section 4600) of Title 5 of the California Code of Regulations, with modifications, as necessary, to help identify and resolve any deficiencies related to instructional materials, emergency or urgent facilities conditions that pose a threat to the health and safety of pupils or staff, teacher vacancy or misassignment, and intensive instruction and services provided pursuant to Section 37254 to pupils who have not passed one or both parts of the high school exit examination after the completion of grade 12.

Condition

At each of the school sites selected for testing, the School Accountability Report Card was not consistent with information provided in the facility conditions evaluation instrument.

Effect

Inaccurate information is being reported to the public in the School Accountability Report Card.

Cause

The system used by the District to aggregate the results of the facilities inspection did not properly compile the information for reporting in the School Accountability Report Cards.

Fiscal Impact

Not determinable.

Recommendation

The District should revise their School Accountability Report Card, so that it is consistent with their facility conditions evaluation instrument.

Corrective Action Plan

The District will revise their School Accountability Report Card to be consistent with the results of the District's facility conditions evaluation instrument.

STATUS OF PRIOR YEAR

FINDINGS AND RECOMMENDATIONS

Finding/Recommendation	Current Status	District Explanation If Not Implemented
No matters were reported.		

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APPENDIX C

GENERAL INFORMATION ABOUT THE CITY OF SAN JOSÉ AND SANTA CLARA COUNTY

The following information about the City of San José, (the "City") and Santa Clara County (the ***"County"****) is included only for the purpose of supplying general information regarding the area of the District. The Certificates are not a debt of the City, the County, the State of California (the* ***"State"****) or any of its political subdivisions (other than the District), and none of the City, the County, the State or any of its political subdivisions (other than the District) is liable therefor.*

General

The County covers an area of over 1,300 square miles and is located south of the San Francisco Bay in northern California. There are two distinct valleys in the County, which are referred to as North County and South County. South County has more of an agricultural base and is comprised of only two cities, twenty miles apart from each other. As a contrast, North County is densely populated, heavily industrialized and extensively urbanized. This part of the County is comprised of 13 cities, each adjacent to another. Due to its high concentration of high-technology industries, the northwestern portion of North County is commonly referred to as "Silicon Valley." Several small lakes and reservoirs are scattered across the County and the highest peak can be found in San José at Mount Hamilton with an elevation of 4,213 feet. Several major highways serve the County, including Highway 101 providing access to San Francisco and Los Angeles.

Population

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

COUNTY OF SANTA CLARA, CITY OF SAN JOSÉ
Population Estimates
Calendar Years 2011 through 2015

Area	2011	2012	2013	2014	2015
Campbell	39,610	39,820	40,404	41,993	41,857
Cupertino	58,665	58,931	59,620	59,946	59,756
Gilroy	49,316	50,081	51,544	52,413	53,000
Los Altos	29,136	29,414	29,792	29,969	30,036
Los Altos Hills	7,969	8,015	8,264	8,354	8,341
Los Gatos	29,613	29,808	30,247	30,532	30,505
Milpitas	66,637	66,864	67,894	70,092	72,606
Monte Sereno	3,360	3,368	3,420	3,450	3,451
Morgan Hill	38,255	39,067	40,079	41,197	41,779
Mountain View	74,618	75,157	76,260	76,781	77,914
Palo Alto	64,853	65,443	66,368	66,861	66,932
San José	**957,369**	**969,876**	**984,299**	**1,000,536**	**1,016,479**
Santa Clara	117,998	118,632	120,284	121,229	120,973
Saratoga	30,153	30,316	30,706	30,887	30,799
Sunnyvale	140,898	142,674	145,973	147,055	148,028
Total Unincorporated	85,887	86,230	87,100	1,781,295	87,182
Total County	1,794,337	1,813,696	1,842,254	1,868,558	1,889,638

Source: California Department of Finance, Demographic Research Unit.

Industry and Employment

The District is part of the San José Sunnyvale Santa Clara Metropolitan Statistical Area ("**MSA**"), which is comprised of Santa Clara and San Benito Counties. The unemployment rate in the San José-Sunnyvale-Santa Clara MSA was 4.0% in October 2015, up from a revised 3.7% in September 2015, and below the year-ago estimate of 5.0%. This compares with an unadjusted unemployment rate of 5.7% for California and 4.8% for the nation during the same period. The unemployment rate was 6.4% in San Benito County, and 3.9% in Santa Clara County.

The table below provides information about employment by industry type for the counties of San Benito and Santa Clara for calendar years 2010 through 2014. Annual figures are not yet available for the calendar year 2015.

SAN JOSÉ SUNNYVALE SANTA CLARA MSA
(San Benito and Santa Clara Counties)
Annual Average Civilian Labor Force, Employment and Unemployment by Industry
(March 2014 Benchmark)

	2010	2011	2012	2013	2014
Civilian Labor Force (1)	905,700	917,800	937,000	949,800	1,024,500
Employment	804,200	826,300	856,600	883,700	970,000
Unemployment	101,500	91,500	80,400	66,100	54,500
Unemployment Rate	11.2%	10.0%	8.6%	7.0%	5.3%
Wage and Salary Employment: (2)					
Agriculture	5,200	5,000	4,900	5,000	5,200
Mining and Logging	200	200	200	300	300
Construction	32,200	31,600	34,600	37,500	39,200
Manufacturing	151,400	155,200	155,900	156,000	159,100
Wholesale Trade	34,900	33,900	34,900	36,500	36,700
Retail Trade	78,800	81,800	84,100	85,100	85,900
Transportation, Warehousing, Utilities	12,000	12,100	12,900	14,000	15,000
Information	46,400	51,300	54,200	58,700	66,400
Finance and Insurance	18,300	19,400	20,400	20,600	21,700
Real Estate and Rental and Leasing	12,800	13,000	12,900	12,900	13,500
Professional and Business Services	161,500	167,300	178,700	191,200	203,800
Educational and Health Services	123,400	125,800	133,700	144,500	150,900
Leisure and Hospitality	74,900	77,400	82,500	87,300	91,800
Other Services	24,300	24,600	24,700	25,400	26,400
Federal Government	10,700	10,100	9,800	9,900	9,900
State Government	6,400	6,400	6,400	6,300	6,400
Local Government	77,300	76,100	75,200	75,700	77,400
Total all Industries (3)	870,800	891,000	926,000	966,800	1,009,500

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

Largest Employers

The following tables list the largest manufacturing and non-manufacturing employers within the County as of 2015, in alphabetical order.

COUNTY OF SANTA CLARA
Largest Employers
March 2015

Employer Name	Location	Industry
Adobe Systems Inc	San José	Publishers-Computer Software (mfrs)
Advanced Micro Devices Inc	Sunnyvale	Semiconductor Devices (mfrs)
Apple Inc	Cupertino	Computers-Electronic-Manufacturers
Bon Appetit-Cafe Adobe	San José	Restaurant Management
California's Great America	Santa Clara	Amusement & Theme Parks
Christopher Ranch LLC	Gilroy	Garlic (mfrs)
E Bay Inc	San José	E-Commerce
Flextronics	Milpitas	Solar Energy Equipment-Manufacturers
Gca Services	Alviso	Janitor Service
General Motors Advanced Tech	Palo Alto	Automobile-Manufacturers
Hewlett-Packard	Palo Alto	Computers-Electronic-Manufacturers
Intel Corp	Santa Clara	Semiconductor Devices (mfrs)
Kaiser Permanente Med Ctr-Sn	San José	Hospitals
Kaiser Permanente Medical Ctr	San José	Hospitals
Lockheed Martin Space Systems	Sunnyvale	Satellite Equipment & Systems-Mfrs
Microsoft Corp	Mountain View	Computer Software-Manufacturers
NASA	Mountain View	Government Offices-Us
Net App Inc	Sunnyvale	Computer Storage Devices (mfrs)
Philips Lumileds Lighting Co	San José	Lighting Fixtures-Supplies & Parts-Mfrs
Santa Clara Valley Medical Ctr	San José	Hospitals
SAP Center	San José	Stadiums Arenas & Athletic Fields
Silicon Valley Sports & Entrtn	San José	Entertainment Bureaus
Stanford University Sch Mdcn	Stanford	Schools-Medical
Texas Instruments Inc	Santa Clara	Semiconductor Devices (mfrs)
VA Medical Ctr-Palo Alto	Palo Alto	Hospitals

Source: State of California Employment Development Department, extracted from The America's Labor Market Information System (ALMIS) Employer Database, 2015 1st Edition.

Effective Buying Income

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

The following table summarizes the total effective buying income for the City, the County, the State of California and the United States for the period 2010 through 2014. Effective Buying Income data is not yet available for calendar year 2015.

CITY OF SAN JOSÉ AND SANTA CLARA COUNTY, CALIFORNIA AND UNITED STATES
EFFECTIVE BUYING INCOME
As of January 1, 2010 through 2014

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2010	City of San José	$ 23,833,603	$64,108
	Santa Clara County	53,692,143	68,047
	California	801,393,028	47,177
	United States	6,365,020,076	41,368
2011	City of San José	$ 23,944,490	$63,639
	Santa Clara County	54,491,135	67,801
	California	814,578,458	47,062
	United States	6,438,704,664	41,253
2012	City of San José	$ 26,741,403	$63,139
	Santa Clara County	61,464,868	68,852
	California	864,088,828	47,307
	United States	6,737,867,730	41,358
2013	City of San José	$ 27,528,218	$64,942
	Santa Clara County	61,802,913	70,595
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of San José	$ 29,343,218	$68,393
	Santa Clara County	66,130,110	75,008
	California	901,189,699	50,072
	United States	7,357,153,421	45,448

Source: The Nielsen Company (US), Inc.

Commercial Activity

In 2009, the State Board of Equalization converted the business codes of sales and use tax permit holders to North American Industry Classification System codes. As a result of the coding change, data for 2009 is not comparable to that of prior years. A summary of historic taxable sales within the City of San José and the County of Santa Clara during the past five years in which data is available is shown in the following tables.

Total taxable sales during the first two quarters of calendar year 2014 in the City were reported to be approximately $7.05 billion, a 6.7% increase over the total taxable sales of approximately $6.61 billion reported during the first two quarters of calendar year 2013. Figures for 2014 are not yet available.

CITY OF SAN JOSÉ
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2009 through 2013 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	11,974	$7,172,346	18,696	$10,425,287
2010	12,515	7,729,152	19,252	11,501,623
2011	12,796	8,542,639	19,516	12,333,418
2012	13,265	9,151,795	19,901	13,329,164
2013	13,927	9,531,712	20,408	13,959,505

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Total taxable sales during the first two quarters of calendar year 2014 in the County were reported to be approximately $18.66 billion, a 3.9% increase over the total taxable sales of approximately $17.96 billion reported during the first two quarters of calendar year 2013.

COUNTY OF SANTA CLARA
Annual Taxable Transactions
Number of Permits and Valuation of Taxable Transactions
Calendar Years 2009 through 2013 (Dollars in Thousands)

	Retail Stores		Total All Outlets	
	Number of Permits	Taxable Transactions	Number of Permits	Taxable Transactions
2009	26,695	$16,385,238	43,396	$27,427,709
2010	27,215	17,695,858	43,583	30,523,322
2011	27,252	19,419,542	43,390	33,431,217
2012	28,109	21,116,708	43,980	36,220,445
2013	29,545	22,424,641	45,274	37,621,606

Source: California State Board of Equalization, Taxable Sales in California (Sales & Use Tax).

Construction Activity

Construction activity in the City and the County for the past five years for which data is available is shown in the following tables. Annual Figures are not yet available for calendar year 2015.

CITY OF SAN JOSÉ
Building Permit Valuation
For Calendar Years 2010 through 2014
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Permit Valuation					
New Single-family	$20,592.1	$19,983.0	$147,018.3	$73,236.8	$102,762.6
New Multi-family	303,175.4	132,805.9	399,205.3	453,268.9	439,670.7
Res. Alterations/Additions	69,137.0	112,352.0	63,225.7	89,367.1	118,451.2
Total Residential	392,904.4	265,140.9	609,449.3	615,872.9	660,884.5
New Commercial	113,842.4	27,259.0	109,119.9	428,716.8	141,493.7
New Industrial	11,862.0	0.0	580.9	21,161.0	2,607.9
New Other	78,032.8	22,078.8	5,514.2	5,076.8	19,994.2
Com Alterations/Additions	170,147.0	311,597.5	218,245.5	336,563.0	339,981.3
Total Nonresidential	373,884.3	360,935.3	333,460.5	791,517.7	504,077.1
New Dwelling Units					
Single Family	82	82	187	276	390
Multiple Family	2,348	1,055	3,312	3,429	4,074
TOTAL	2,430	1,137	3,499	3,705	4,464

Source: Construction Industry Research Board, Building Permit Summary.

SANTA CLARA COUNTY
Building Permit Valuation
For Calendar Years 2010 through 2014
(Dollars in Thousands)

	2010	2011	2012	2013	2014
Permit Valuation					
New Single-family	$307,367.4	$366,126.4	$678,168.8	$694,884.6	$594,472.7
New Multi-family	457,923.9	315,853.0	558,544.1	941,420.4	1,196,127.8
Res. Alterations/Additions	320,582.9	392,229.1	288,105.1	423,739.6	439,747.1
Total Residential	1,085,874.3	1,074,208.5	1,524,818.0	2,060,044.6	2,230,347.6
New Commercial	267,010.0	228,074.5	745,468.8	1,217,647.4	818,913.3
New Industrial	33,862.0	68,701.3	22,481.5	72,222.0	10,172.2
New Other	119,682.9	47,728.5	19,197.3	1,749,161.2	292,113.9
Com Alterations/Additions	735,059.6	1,122,235.2	1,115,633.3	1,293,656.1	1,534,213.1
Total Nonresidential	1,155,614.6	1,466,739.5	1,902,780.9	4,332,686.8	2,655,412.5
New Dwelling Units					
Single Family	826	978	1,432	1,859	1,602
Multiple Family	3,627	2,234	4,245	6,009	8,310
TOTAL	4,453	3,212	5,677	7,868	9,912

Source: Construction Industry Research Board, Building Permit Summary.

APPENDIX D

FORM OF LEGAL OPINION

March 24, 2016

Board of Education
Campbell Union High School District
3235 Union Avenue
Moss Landing, California 95039

OPINION: $15,165,000 2016 Certificates of Participation Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the Campbell Union High School District, California as the Rental for Certain Property Under a Lease Agreement with the Public Property Financing Corporation of California

Members of the Board of Education:

We have acted as special counsel in connection with the delivery by the Campbell Union High School District (the "District"), of a Lease Agreement dated as of March 1, 2016 (the "Lease Agreement"), between the Public Property Financing Corporation of California (the "Corporation") as lessor and the District as lessee. Under a Trust Agreement dated as of March 1, 2016 (the "Trust Agreement"), among the District, the Corporation and U.S. Bank National Association, as trustee thereunder (the "Trustee"), the Trustee has executed and delivered $15,165,000 aggregate principal amount of 2016 Certificates of Participation (the "Certificates") evidencing the direct, undivided fractional interests of the owners thereof in lease payments to be made by the District under the Lease Agreement (the "Lease Payments"), which have been assigned by the Corporation to the Trustee under an Assignment Agreement dated as of March 1, 2016 (the "Assignment Agreement") between the Corporation and the Trustee. We have examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Lease Agreement and the Trust Agreement, and in certified proceedings and other certifications of public officials and others furnished to us, without undertaking to verify the same by independent investigation.

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

1. The District is a high school district duly organized and validly existing under the Constitution and laws of the State of California with the full power to enter into the Lease Agreement and the Trust Agreement and to perform the agreements on its part contained therein.

2. The Lease Agreement and the Trust Agreement have been duly approved by the District and constitute valid and binding obligations of the District enforceable against the District in accordance with their respective terms.

3. The Certificates have been validly executed and delivered by the Trustee under the Trust Agreement and, by virtue of the assignment made under the Assignment Agreement, the owners of the Certificates are entitled to the benefits of the Lease Agreement.

4. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations; it should be noted, however, that for the purpose of computing the alternative minimum tax imposed on such corporations (as defined for federal income tax purposes), such interest is required to be taken into account in determining certain income and earnings. The opinions set forth in the preceding sentence are subject to the condition that the District comply with all requirements of the Tax Code that must be satisfied subsequent to the delivery of the Lease Agreement in order that such interest be, or continue to be, excluded from gross income for federal income tax purposes. The District has covenanted in the Lease Agreement and the Trust Agreement and other instruments relating to the Certificates to comply with each of such requirements. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of delivery of the Lease Agreement. We express no opinion regarding other federal tax consequences arising with respect to the Lease Agreement and the Certificates, or the amount, accrual or receipt of interest represented by the Certificates.

5. The portion of the Lease Payments designated as and comprising interest and received by the owners of the Certificates is exempt from personal income taxation imposed by the State of California.

The rights of the owners of the Certificates and the enforceability of the Lease Agreement, the Trust Agreement and the Assignment Agreement may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and may also be subject to the exercise of judicial discretion in accordance with principles of equity or otherwise in appropriate cases.

Respectfully submitted,

Jones Hall,
A Professional Law Corporation

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$15,165,000
2016 CERTIFICATES OF PARTICIPATION
Evidencing the Direct, Undivided Fractional Interests of the Owners Thereof in Lease Payments to be Made by the
CAMPBELL UNION HIGH SCHOOL DISTRICT
to Public Property Financing Corporation of California
(Capital Projects and Refinancing)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (this "**Disclosure Certificate**") is dated March 24, 2016 and is executed and delivered by the Campbell Union High School District (the "**District**") in connection with the execution and delivery of the captioned certificate of participation (the "**Certificates**"). The Certificates are being executed and delivered pursuant to a Trust Agreement, dated as of March 1, 2016 (the "**Trust Agreement**"), by and among the District, the Public Property Financing Corporation of California and U.S. Bank National Association as trustee for the Certificates (the "**Trustee**").

The District hereby covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the holders and beneficial owners of the Certificates and in order to assist the Participating Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

Section 2. Definitions. In addition to the definitions set forth above and in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section 2, the following capitalized terms have the following meanings:

"*Annual Report*" means any Annual Report provided by the District under and as described in Sections 3 and 4.

"*Annual Report Date*" means the date not later than nine months after the end of each fiscal year of the District (currently June 30^{th}), commencing March 31, 2017.

"*Dissemination Agent*" means the District or a Dissemination Agent designated in writing by the District and which has filed with the District and the Paying Agent a written acceptance of such designation.

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

"*MSRB*" means the Municipal Securities Rulemaking Board, which has been designated by the Securities and Exchange Commission as the sole repository of disclosure information for purposes of the Rule.

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

"*Participating Underwriter*" means RBC Capital Markets, LLC, the original underwriter of the Certificates required to comply with the Rule in connection with offering of the Certificates.

"*Rule*" means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"*Trustee*" means U.S. Bank National Association, or any successor thereto.

Section 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing not later than March 31, 2017 with the report for the 2015-16 fiscal year, provide to the MSRB in an electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4. The initial Annual Report shall be deemed to be satisfied by the filing of the Official Statement. Not later than 15 Business Days prior to the Annual Report Date, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by 15 Business Days prior to the Annual Report Date the Dissemination Agent (if other than the District) has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with the previous sentence. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report, and later than the Annual Report Date, if not available by that date. The filing of the Official Statement for the Certificates shall satisfy the filing of the initial Annual Report. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by the District hereunder.

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

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

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

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

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

(a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the Annual Report Date, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed on or before the Annual Report Date, the following information shall be included in the Annual Report:

(i) the most recently adopted budget, or interim report showing budgeted figures, which is available at the time of filing the Annual Report;

(ii) average daily attendance in the District on an aggregate basis for the most recently completed fiscal year;

(iii) pension plan contributions for the most recently completed fiscal year;

(iv) a summary of the outstanding principal amounts of short-term borrowings, lease obligations and other long-term borrowings of the District for the most recently completed fiscal year;

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

(vi) assessed valuation of properties of the top twenty taxpayers for the most recently completed fiscal year;

(vii) if the District is not participating in the County's Teeter Plan, property tax collection delinquencies for the District for the most recently completed fiscal year or if not available at the time of the filing of the Annual Report for the prior fiscal year, if available from the County, and

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

(c) Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which are available to the public on the MSRB's internet web site or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

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

(1) Principal and interest payment delinquencies.

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

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

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

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

(6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.

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

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

(9) Defeasances.

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

(11) Rating changes.

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

(13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

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

(b) Whenever the District obtains knowledge of the occurrence of a Listed Event, the District shall, or shall cause the Dissemination Agent (if not the District) to, file a notice of such occurrence with the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of 10 business days after the occurrence of the Listed Event. Notwithstanding the foregoing, notice of Listed Events described in subsections (a)(8) and (9) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Certificates under the Trust Agreement.

(c) The District acknowledges that the events described in subparagraphs (a)(2), (a)(7), (a)(8) (if the event is a bond call), (a)(10), (a)(13), and (a)(14) of this Section 5 contain the qualifier "if material" and that subparagraph (a)(6) also contains the qualifier "material" with respect to certain notices, determinations or other events affecting the tax status of the Lease Payments relating to the Certificates. The District shall cause a notice to be filed as set forth in paragraph (b) above with respect to any such event only to the extent that it determines the event's occurrence is material for purposes of U.S. federal securities law. Whenever the District obtains knowledge of the occurrence of any of these Listed Events, the District will as soon as possible determine if such event would be material under applicable federal securities law. If such event is determined to be material, the District will cause a notice to be filed as set forth in paragraph (b) above.

(d) For purposes of this Disclosure Certificate, any event described in paragraph (a)(12) above is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

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

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Certificates. If such termination occurs prior to the final maturity of the Certificates, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

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

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Certificates, or type of business conducted;

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

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

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

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

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 11. Default. If the District fails to comply with any provision of this Disclosure Certificate, the Participating Underwriter or any holder or beneficial owner of the Certificates 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 Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent.

(a) The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent will have no duty or obligation to review any information provided to it by the District hereunder, and shall not be deemed to be acting in any fiduciary capacity for the District, the Certificate holders or any other party. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Certificates.

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

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Certificates, and shall create no rights in any other person or entity.

Date: March 24, 2016

CAMPBELL UNION HIGH SCHOOL DISTRICT

By: ______________________________
Name:
Title:

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Campbell Union High School District (the "District")
Name of Issue:	$15,165,000 Campbell Union High School District 2016 Certificates of Participation
Date of Issuance:	March 24, 2016

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Certificates of Participation as required by the Continuing Disclosure Certificate executed by the District in connection with the execution and delivery of the Certificates captioned above. The District anticipates that the Annual Report will be filed by

______________.

Dated: March 24, 2016

CAMPBELL UNION HIGH SCHOOL DISTRICT

By: ______________________________
Its: ______________________________

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

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

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

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

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (in this Appendix, the "Certificates"). The Certificates 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 Certificate will be issued for each maturity of each series of the Certificates, in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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

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

3. Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual purchaser of each Certificate ("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 Certificates 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 Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

4. To facilitate subsequent transfers, all Certificates 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 Certificates with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

6. Prepayment notices will be sent to DTC. If less than all of the Certificates within an issue are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be prepaid.

7. Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Certificates unless authorized by a Direct Participant in accordance with DTC's

MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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APPENDIX G

SANTA CLARA COUNTY INVESTMENT POLICY AND QUARTERLY REPORT

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4.8 - TREASURY INVESTMENT POLICY

4.8.1 Statement of Intent

The purpose of this document is to set forth the County of Santa Clara's policy applicable to the investment of short term surplus funds. In general, it is the policy of the County to invest public funds in a manner that will provide a competitive rate of return with maximum security while meeting the cash flow requirements of the County, school districts and special districts whose funds are held in the County Treasury, in accordance with all state laws and County ordinances governing the investment of public funds.

4.8.2 Scope

This investment policy applies to all financial assets held by the County. Those assets specifically included in this investment policy are accounted for in the County's Comprehensive Annual Financial Report and are included here as part of the County's Commingled Investment Pool.

4.8.3 Objectives

The following investment objectives shall be applied in the management of the County's funds.

(A) The foremost objective of the County's investment program shall be to safeguard principal. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio.

(B) The secondary objective shall be to meet the liquidity needs of its participants. The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated.

(C) The third objective shall be to attain a market rate of return (yield) throughout budgetary and economic cycles, taking into account the County's investment constraints and cash flow characteristics. The core of investments will be limited to low risk securities in anticipation of earning a fair return relative to the risk being assumed.

Risk Mitigation

Those factors that can lead to an unexpected financial loss can be broadly grouped into the following categories; credit risk, liquidity risk, interest rate risk and operational risk. Credit risk is the possibility that a bond issuer will default or that the change in the credit quality of counter-party will affect the value of a security. Liquidity risk for a portfolio that does not market value its holdings on a daily basis is the risk that sufficient cash or cash equivalents are not available and a security may have to be sold at a loss (based on its original cost) in order to meet a payment liability. Interest rate risk is the risk that the value of a fixed income security or portfolio will fall as a result of an increase in interest rates. Operational risk refers to potential losses resulting from inadequate systems, management failure, faulty controls, fraud and human error.

It is part of this policy to pursue the listed actions below to reduce the risk of exposure to the County's investments.

Credit Risk

- Diversifying the investment portfolio so that potential losses on individual securities will be minimized.
- Only purchasing securities that meet ratings standards specified in this policy.
- Conducting ongoing reviews as needed of all credit exposures within investment portfolios.
- Rating restrictions for all investments are denoted as requirements at time of purchase. If a security should incur a downgrade by either rating agency, placing the security on special surveillance to identify and monitor any continuing deterioration trends and, if warranted, selling the security.
- Reviewing the possible sale of a security whose credit quality is declining to minimize loss of principal.

Liquidity Risk

- To the extent possible, matching investment maturities with anticipated cash demands, also known as creating static liquidity. Alternatively, apply application software to analyze and validate that cash from investment activity is sufficient to cover all liabilities.
- Since all possible cash demands cannot be anticipated, maintaining portfolios largely of securities with active secondary or resale markets (dynamic liquidity).
- Making investments that could be appropriately held to maturity without compromising liquidity requirements.
- Prior to approving or disapproving a withdrawal request (a reduction of liquidity), the County Treasurer shall determine that the proposed withdrawal will not adversely affect the interests of the other depositors in the County pool.

Interest Rate Risk

- Not investing in securities maturing more than five years from the date of purchase, and limiting the weighted average maturity of the County's Commingled portfolio to two years or less.

- Limiting segregated investments to maturities of five years or less unless a longer term is specifically approved by the appropriate legislative body.
- Not investing in any funds in financial futures, option contracts, inverse floaters, range note or interest-only strips that are derived from a pool of mortgages, or any security that could result in zero interest accrual if held to maturity.
- Ensuring that adequate resources are devoted to interest rate risk measurement.

Operational Risk

- Establishing a system of internal controls, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the County.
- Having an audit review to examine the system of internal controls to assure that established policies including risk management procedures are being complied with.

4.8.4 Standards of Care

(A) **Prudence.** The County Treasurer is a trustee and therefore a fiduciary subject to the prudent investor standard. When investing, reinvesting, purchasing, acquiring, exchanging, selling, and managing public funds, the County Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, that prudent person acting in a like capacity and familiar with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitations of this section and considering individual investments as part of an overall investment strategy, the County Treasurer is authorized to acquire investments as authorized by law.

The overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The County recognizes that no investment program is totally riskless and that the investment activities of the County are a matter of public record. Accordingly, the County recognizes that occasional measured losses are inevitable in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that the portfolio is adequately diversified and that the sale of a security is in the best long-term interest of the County. Significant adverse credit changes or market price changes on County-owned securities shall be reported to the Board of Supervisors and the County Executive in a timely fashion.

(B) **Competitive Transactions.** Where practicable, each investment transaction shall be competitively transacted with brokers/dealers/banks approved by the County Treasurer.

(C) **Indemnification.** Investment officers acting in accordance with state laws, County ordinances, this policy and written procedures, and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided that deviations from expectations are reported in a timely fashion and appropriate action is taken to control adverse development

(D) **Ethics and Conflicts of Interest.** County employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and investment personnel shall subordinate their personal investment transactions to those of the County, particularly with regard to the timing of purchases and sales.

County officers and employees involved with the investment process shall refrain from accepting gifts that would be reportable under the Fair Political Practices Commission (FPPC) regulations.

Members of the Treasury Oversight Committee shall not accept any honoraria, gifts or gratuities from advisors, brokers, dealers, bankers or other persons with whom the County Treasury conducts business that would be reportable or prohibited under the FPPC regulations.

4.8.5 Authorized Financial Dealers and Institutions

The County Treasurer shall establish an approved list of brokers, dealers, banks and direct issuers of commercial paper to provide investment services to the County. It shall be the policy of the County to conduct security transactions only with approved institutions and firms. To be eligible for authorization, firms that are commercial banks must be members of the FDIC, and broker/dealers:

- Preferably should be recognized as a Primary Dealer by the Market Reports Division of the Federal Reserve Bank of New York, and
- Must maintain a secondary position in the type of investment instruments purchased by the County.

In addition, the firm must also qualify under SEC Rule 15C3-1 (Uniform Net Capital Rule). Approved broker/dealer representatives and the firms they represent shall be licensed to do business in the State of California.

The criteria for selecting security brokers and dealers from, to, or through whom the County Treasury may purchase or sell securities or other instruments, prohibits the selection of any broker, brokerage, dealer, or securities firm that has, within any consecutive 48-month period following January 1, 1996, made a political contribution in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board, to any member of the governing board of any local agency that is a participant in the County Treasury or any candidate for those offices.

No public deposit shall be made except in a qualified public depository as established by state law. An annual analysis of the financial condition and professional institution/bank rating will be conducted by the County Treasurer and reported to the County Treasury Oversight Committee. Information indicating a material reduction in ratings standards or a material loss or prospective loss of capital must be shared with the Board of Supervisors, the County Executive, and the Oversight Committee in writing immediately.

To be eligible to receive local agency money, a bank, savings association, federal association or federally insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California communities, including low-and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code.

4.8.6 County Treasury Oversight Committee

A County Treasury Oversight Committee shall be established by the Board of Supervisors pursuant to Government Code Section 27130 et seq to advise the County Treasurer in the management and investment of the Santa Clara County Treasury. The Oversight Committee shall be comprised of six members representing the County, school districts and other local governments agencies whose funds are deposited in the County's commingled pool and other segregated investments. Members of the Oversight Committee will be nominated by the Treasurer and confirmed by the Board of Supervisors. The Committee is comprised of the following members:

1. County Director of Finance

2. County Executive appointed by the Board of Supervisors

3. Representative appointed by a majority of the presiding officers of the legislative bodies of the special districts in the County that are required or authorized to deposit funds in the County Treasury.

4. County Superintendent of Schools or his or her designee.

5. Representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the County.

6. One member of the public that has expertise in and or an academic background in public finance.

Each member may designate an alternate to serve in the absence of the member. The alternate shall take the oath office and file a conflict of interest report with the Clerk of the Board. The alternate shall exercise the vote of the member at meetings where the member is not present.

It is the responsibility of the County Treasury Oversight Committee to approve the investment policy prepared annually by the County Treasurer, to review and monitor the quarterly investment reports prepared by the County Treasurer, to review depositories for County funds and broker/dealers and banks as approved by the County Treasurer, and to cause an annual audit to be conducted to determine the County Treasury's compliance with all relevant investment statutes and ordinances, and this investment policy. Any receipt of honoraria, gifts, and gratuities from advisors, brokers, and dealers, bankers or other persons with whom the County Treasury conducts business by any member of the County Treasury Oversight Committee is limited to the amount set by the Fair Political Practices Commission. These limits by be in addition to the limits set by a committee member's own agency or by state law.

Nothing in this article shall be construed to allow the County Treasury Oversight Committee to direct individual investment decisions, select individual brokers, or dealers, or impinge on the day-to-day operations of the County Treasury.

4.8.7 Eligible, Authorized and Suitable Investments

All investments shall conform with state law including but not limited to Government Code 53600 et seq and any further restrictions imposed by this policy(Authorized Investments) Where this section specifies a percentage limitation for a particular category of investment or specific issuer, that percentage is applicable only at the date of purchase. If subsequent to purchase, portfolio percentage constraints are above the maximum thresholds due to changes in value of the portfolio or changes due to revisions of the policy, then affected securities may be held to maturity in order to avoid principal losses. However, the County Treasurer may choose to rebalance the portfolio if percentage imbalances are deemed to impair portfolio diversification.

If after purchase securities are downgraded below the minimum required rating level the securities shall be reviewed for possible sale within a reasonable amount of time after the downgrade. Significant down grades and the action to be taken will be disclosed in the Quarterly Investment Report.

U. S Treasury and Government Agencies. There shall be no limit in the amount that may be invested in debt obligations that are backed by the full faith and credit of the United States government. This includes but is not limited to U. S. Treasury bills, notes or bonds.

There shall be no limit in the amount that may be invested in federal agencies of the United States or United States government sponsored-enterprise obligations, participations, and bond issuances including those issued by or fully guaranteed as to principal and interest by federal agencies or the United States government.

Repurchase Agreements. A repurchase agreement consists of two simultaneous transactions under the same agreement. One is the purchase of securities by an investor (County Treasury) from a bank or dealer. The other is the commitment by the bank or dealer to repurchase the securities at a specified price and on a date mutually agreed upon.

Repurchase agreements shall be entered into only with dealers and financial institutions which have executed a Master Repurchase Agreement with the County and are recognized as primary dealers with the Market Reports Division of the Federal Reserve Bank of New York.

- The term of the repurchase agreement is limited to 92 days or less. The securities underlying the agreement may be obligations of the United States Government, its agencies, or agency mortgage backed securities. For repurchase agreements that exceed 15 days, the maturities on purchased securities may not exceed 5 years.
- The purchased securities shall have a minimum market value, including accrued interest, of 102 percent of the dollar value of the agreement. Purchased securities shall be held in the County's custodian bank as safekeeping agent, and the market value of the securities shall be marked-to-market on a daily basis.

Reverse Repurchase Agreements. A reverse repurchase agreement consists of two simultaneous transactions under the same agreement. One is the sale of securities by the County Treasury to a bank or dealer. The other is the commitment by the County Treasury to repurchase the securities at a specified price and on a date mutually agreed upon.

Reverse repurchase agreements may only be transacted with dealers and financial institutions which have executed a Master Repurchase Agreement with the County as approved by the Board of Supervisors, and which are Primary Dealers of the Federal Reserve Bank of New York. Reverse repurchase transactions must meet the following requirements:

- Sold securities must be owned and fully paid a minimum of 30 days prior to transaction.
- The total of all reverse repurchase and securities lending agreements cannot exceed 20% of the portfolio's base value.[1]
- The term of the reverse repurchase agreement is not to exceed 92 days unless the agreement includes a written codicil that guarantees a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.
- Funds obtained through a reverse repurchase agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the reverse repurchase agreement unless the reverse repurchase agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.
- Reverse repurchase agreements may only be used to effect a "matched" transaction whereby the proceeds of the reverse are reinvested for approximately the same time period as the term of the reverse repurchase agreement.
- Reverse repurchase agreements may not exceed $90 million.
- Investments in reverse repurchase agreements in which Treasury sells securities prior to purchase with a simultaneous agreement to repurchase the security may only be made upon prior approval of the Board of Supervisors.

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[1]Base value of the County's Pool refers to the dollar amount obtained by totaling all cash balances placed in the pool by all pool participants, excluding any amounts obtained through selling securities by way of reverse repurchase agreements or securities lending agreements.

Reverse Repurchase Agreements will be used solely for the intent of accessing liquid funds on a temporary basis and will not be used as a means to amplify portfolio returns.

All other cost effective means of obtaining liquidity will be considered prior to exercising this option.

In exception to the above, a trial transaction will be permitted on a periodic basis as emergency preparation to ensure that internal systems and staff members remain up-to-date on processing procedures. The amount of the trial transaction will not exceed pre-established limits set by the Treasurer.

Securities Lending. The mechanics behind a securities lending transaction consist of the County lending a security. The borrower, a financial institution, pledges collateral consisting of cash to secure the loan. Borrowers sometimes offer letters of credit as collateral. The lending agreement requires that the collateral must always exceed the market value of the security by 2%. Changes in the security's price during the term of the loan may require adjustments in the amount of collateral. The cash collateral obtained from the borrower is then invested in short-term assets for additional income. Also, the County is entitled to all coupon interest earned by the loaned security. At the end of the loan term, the transaction is unwound, the securities and collateral, which are held by a custodian bank, are returned to the original owners. The borrower is obliged to return the securities to the lender, either on demand from the County or at the end of any agreed term. Lending transactions must meet the following requirements:

- Loaned securities must be owned and fully paid a minimum of 30 days prior to transaction.
- The total of all reverse repurchase and securities lending agreements cannot exceed 20% of the portfolio's base value.
- The term of the securities lending agreement is not to exceed 92 days.
- Funds obtained through a securities lending agreement shall not be used to purchase another security with a maturity longer than 92 days from the initial settlement date of the securities lending agreement.
- The objective of the transaction is to produce positive earnings.

To qualify as a counter-party to the County in a securities lending transaction, the broker/dealer must be recognized as a Primary Dealer by the Federal Reserve Bank and the County's custodial bank must indemnify the County against losses related to the broker-dealer.

Collateralized Time Deposits. Time deposits with banks or savings and loan associations shall be subject to the limitations imposed by Government Code Section 53638, as amended, and additional constraints prepared by the County Treasurer that would limit amounts to be placed with institutions based on creditworthiness, size, market conditions and other investment considerations.

Negotiable Certificates of Deposit. The bank issuing a negotiable certificate of deposit with a maturity of one year or less, must reflect the following or higher ratings from at least two of these *nationally recognized statistical rating organizations* (NRSRO's): Moody's (P1), Standard and Poor's (A1), and Fitch (F1). Certificates that exceed one year, must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (Aa3), Standard and Poor's (AA-), and Fitch (AA-). Negotiable certificates of deposit shall not exceed 30% of the surplus funds of the portfolio. No more than 5% of the portfolio shall be in a single bank.

Bankers' Acceptances. Investments in eligible bankers' acceptances of United States or foreign banks shall not exceed 180 days maturity from the date of purchase. This debt must reflect the following or higher ratings by at least two of these NRSRO's: Moody's (P1), Standard and Poor's (A1), and Fitch (F1). Bankers' Acceptances shall not exceed 40% of surplus funds. No more than 5% of the portfolio shall be invested in a single commercial bank.

Commercial Paper. Investments in commercial paper shall not have a maturity that exceeds 270 days. Commercial paper must reflect the following or higher ratings by at least two of these NRSRO's: Moody's (P1), Standard and Poor's (A1), and Fitch (F1). The issuer must meet the qualifications as indicated below pursuant to California Government Code Section 53601(g):

If the commercial paper is short-term unsecured promissory notes issued by financial institutions or corporations, the issuer must:

- Be organized and operating in the United States as a general corporation;
- Have total assets in excess of five hundred million dollars ($500,000,000); and
- If the issuer has senior debt outstanding, the senior debt must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (Aa3) Standard and Poor's(AA-) and Fitch (AA-)

If the commercial paper is asset backed, the issuer must:

- Be organized within the United States as a special purpose corporation, trust, or limited liability company; and
- Have program-wide credit enhancements including, but not limited to, over collateralization, letters of credit or surety bonds and include a liquidity vehicle.

Commercial paper shall not exceed 40% of the local agency's funds. No more than 5% of the portfolio shall be invested in any single issuer of commercial paper.

Medium Term Corporate Notes or Deposit Notes. The purchase of corporate notes shall be limited to securities that reflect the following ratings or higher by at least two of these NRSRO's: Moody's, (Aa3), Standard and Poor's (AA-), and Fitch (AA-). Medium term corporate notes or deposit notes (five years or less) shall be limited to 30% of surplus funds. No more than 5% of the portfolio shall be invested in any single corporation.

Local Agency California Investment Fund (LAIF)

Funds may be invested in LAIF, a State of California managed investment pool up to the maximum dollar amounts in conformance with the account balance limits authorized by the State Treasurer.

Municipal Obligations. The purchase of municipal obligations shall include the following:

(A) **Treasury notes or bonds of the state of California**, including other obligations such as registered state warrants, certificates of participation, lease revenue bonds and bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

(B) **Bonds, notes, warrants, certificates of participation, lease revenue bonds or other evidences of indebtedness of any local agency within this state**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

(C) **Registered treasury notes or bonds of any of the other 49 United States in addition to California**, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 United States, in addition to California.

For those instruments that are rated, long term obligations must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (A3), Standard and Poor's (A-), and Fitch (A-). Short term obligations must carry the following ratings or higher by at least one of these NRSRO's: Moody's (MIG-1), Standard and Poor's (SP-l), and Fitch (F-l). No more than 10% of surplus funds shall be in such obligations.

Money Market Funds. Companies issuing such money market funds must have assets under management in excess of $500,000,000. The advisors must be registered with the Securities and Exchange Commission (SEC) and have at least five years' experience investing in such types of investments. The fund must reflect the highest rating by at least two of these NRSRO's: Moody's (Aaa), Standard and Poor's (AAA), and Fitch (AAA). No more than 20% of the Treasury's funds may be invested in money market funds and no more than 10% of the Treasury's funds may be invested in one money market fund. If the money market fund is tax-exempt then only one "AAA" rating by an NRSRO is required. The money market fund must also be "no-load", which is a fund that does not compensate sales intermediaries with a sales charge or commission that is deducted from the return of the fund.

Asset Backed Securities. Asset backed securities (ABS) are notes or bonds secured or collateralized by pools of loans such as installment loans or receivables.

- Securities shall be issued by an issuer whose debt must reflect the following ratings or higher by at least two of these NRSRO's: Moody's (A3), Standard and Poor's (A-), and Fitch (A-).
- The asset backed security itself must reflect the following ratings or higher from at least two of these NRSRO's: Moody's (AA-), Standard and Poor's (Aa3) and Fitch (AA-).
- Asset backed securities together with mortgage backed securities may not exceed 20% of the Treasury's surplus money.

Agency Mortgage Backed Securities. Mortgage backed securities (MBS) are -collateralized by pools of conforming mortgage loans insured by FHLMC or FNMA and -mortgages guaranteed by FHA (GNMA).

- Agency mortgage backed securities together with asset backed securities may not exceed 20% of the Treasury's surplus money.

Supranational Debt Obligations. United States dollar-denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development of the World Bank, as known as IBRD, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments must be rated "AAA" or better by at least two of the following, NRSRO's, Moody's, Standard and Poor's or Fitch and shall not exceed 10 % the Treasury's surplus funds.

General Parameters

Ineligible Investments

Ineligible investments include common stock, inverse floaters, range notes, mortgage-derived interest only strips and any security that could result in zero interest accrual if held to maturity or any security that does not pay interest in one year or at least semi-annually in subsequent years and any investment not authorized by this policy unless otherwise approve by the Board of Supervisors.

Combined Issuer/Institutional limits.

No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, Commercial paper, Negotiable Certificates of Deposit, and Corporate Notes.

Swaps

Investments will be reviewed for the possibility of a swap to enhance yield when both securities have a similar duration so as not to affect the cash flow needs of the program. Swaps should have a minimum of five basis points before being transacted.

4.8.8 Maximum Maturity

The County Investment portfolio shall be structured to provide that sufficient funds from investments are available to meet the anticipated cash needs of the depositors in the County' commingled investment pool. The choice of investment instruments and maturities shall be based on an analysis of depositors cash needs, existing and anticipated revenues, interest rate trends and specific market opportunities. The average weighted maturity of the portfolio will not exceed two years and investments will not have a maturity of more than five years from the date of purchase unless specifically approved by the Board of Supervisors to the provisions set forth elsewhere in this policy.

4.8.9 Segregated Investments (excludes Commingled Funds)

Segregated investments of instruments permitted in Government Code Section 53601 can be made upon proper authorization where cash flow or other factors warrant segregation from the commingled pool. Examples that may justify such segregation are bond or note proceeds, Retiree Health funds or Workers Compensation funds where longer term or matching term investments are warranted.

For segregated investment funds, no investment shall be made that could not appropriately be held to maturity without compromising liquidity requirements.

Segregated investments shall be limited to five years maturity unless a longer term is specifically approved by the appropriate legislative body.

Government Code Sections 53620 and 53622 grant the County authority to invest the assets of the Santa Clara County Retiree Health Trust in any form or type of investment deemed prudent by the governing body. Accordingly, the County Board of Supervisors has determined that up to 67 percent of the Trust's assets, excluding near-term liability payouts, may be invested in equities through mutual funds or through the direct purchase of common stocks by a money management firm(s) approved by the Board of Supervisors.

In accordance with the prudent person standard in Government Code Sections 53620 through 53622, the assets of the Santa Clara County Retiree Health Trust may be invested in bonds that have a final maturity of 30 years or less from purchase date, and in bonds that reflect the following ratings or higher from at least two of these NRSRO's: Moody's (A3), Standard and Poor's (A-), and Fitch (A-).

4.8.10 Safekeeping and Custody

All security transactions, including collateral for repurchase agreements, shall be conducted on a delivery-versus-payment (DVP) basis. Securities will be held in the name of the County by a custodian designated by the County Treasurer and evidenced by trade confirmations and safekeeping holdings reports.

The County Treasurer will approve certain financial institutions on an annual basis to provide safekeeping and custodial services for the County. Custodian banks shall be selected on the basis of their ability to provide service to the County's account and the competitive pricing of their safekeeping related services. All securities purchased by the County under this section shall be properly designated as an asset of the County and held in safekeeping by a custodial bank chartered by the United States Government or the State of California.

The County will execute custodial agreement(s) with its bank(s). Such agreements will outline the responsibilities of each party for the notification of security purchases and sales, address wire transfers as well as safekeeping and transaction costs, and provide details on procedures in case of wire failures or other unforeseen mishaps along with the liability of each party.

To be eligible for designation as the County's safekeeping and custodian agent, a financial institution shall meet the following criteria:

- Have a Moody's rating of P-1 or Standard and Poor's rating of - A1 for the most recent reporting quarter before the time of selection.
- Qualify as a depository of public funds in the State of California as defined in Government Code Section 53638.

The County Treasurer shall require each approved custodial bank to submit a copy of its Consolidated Report of Condition and Income (Call Report) to the County within forty-five days after the end of each calendar quarter.

It is the intent of the County to mitigate custodial credit risk by insuring that all securities are appropriately held.

Securities typically clear and settle as electronic book entries through the following clearinghouses: (1) the Depository Trust Corp. (DTC), a member of the Federal Reserve Bank; or (2) the Fed Book-Entry System, owned by the Federal Reserve. Governments generally do not have their own account in the Fed Book-Entry System or at DTC, but have access to those systems through large financial institutions who are members and participants. The County's securities within the clearing system are held under the Custodial Bank's name. The Custodial Bank's internal records identify the County as the underlying beneficial owner of securities.

Infrequently, physical certificates are used to reflect ownership of a security. When physical securities are received by the Custodial Bank, they are sent to a transfer agent to be registered into the Custodial Bank's nominee name. It is kept in the bank's vault until redeemed or sold. The Custodial Bank records identify the County as the underlying beneficial owner and include the securities on the County's Safekeeping report.

4.8.11 Internal Controls and Accounting

The County shall establish a system of internal controls, which is designed to prevent losses of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the County.

The County maintains its records on the basis of funds and account groups, each of which is considered a separate accounting entity. All investment transactions shall be recorded in the various funds of the County in accordance with Generally Accepted Accounting Principles as promulgated by the Government Accounting Standards Board.

The County shall establish a process for an annual review by either the County's internal or external auditor. This review will examine the system of internal controls to assure that the established policies and procedures are being complied with and many result in recommendations to change operating procedures to improve internal control.

4.8.12 Reporting

(A) **Methods.**(i) The County Treasurer shall prepare an investment report quarterly, including a management summary that provides a clear status of the current investment portfolio, quarterly transactions, investment philosophy and market actions and trends. The management summary will be prepared in a manner which will allow the County to ascertain whether investment activities during the reporting period have conformed to the investment policy. The report should be provided to the Board of Supervisors, the County Executive, the County Treasury Oversight Committee, Internal Auditor, and local agencies with funds on deposit in the County pool. The report will include the following:

- A listing of individual securities by type of investment and maturity held at the end of the reporting period.
- A composite of transactions purchased during the reporting period by type of security.
- Unrealized gains or losses resulting from appreciation or depreciation of securities held in the portfolio, by listing the cost of market value of securities.
- Average weighted yield to maturity of the portfolio and benchmark comparisons.
- Weighted average maturity of the portfolio.
- A summary of purchases during the reporting period by broker/dealers or banks showing the purchase date, issuing agency, amount purchased, cost and purchase date.
- A statement denoting the ability of the County to meet its pool's expenditure requirements for the next six months, or provide an explanation as to why sufficient money shall, or may not, be available.

(ii) The County Treasurer shall prepare a monthly report with a brief summary of the investment report and a listing of the transactions conducted during the month. The report will be provided to the Board of Supervisors, Treasury Oversight Committee and the local agencies with funds on deposit in the County Pool.

Material deviations from projected budgetary investment results shall be reported no less frequently than quarterly to the Board of Supervisors and the County Executive.

(B) Performance Standards.

The investment portfolio will be managed in accordance with the parameters specified within this policy. The portfolio should obtain a market average rate of return during a market/economic environment of stable interest rates, taking into account the County's investment risk constraints and cash flow needs.

The basis for measurement used to determine whether market yields/rate of return are being achieved shall be the State Treasurer's Local Agency Investment Fund (LAIF). It should be recognized, however, that since the investment parameters of LAIF are broader than the County's investment policies, the returns realized by the County cannot necessarily be expected to exceed the returns realized by LAIF on a regular basis.

(C) The County utilizes the following methods to pay for banking services and County administration of the investment function:

General Banking Services. General banking services such as safekeeping, items deposited, statements, account maintenance, etc., may be paid to the bank through direct payment or a combination of direct payment and compensating balance.

Investment and Banking Administration Costs. The County recovers staffing and other costs relating to the County's administration services for banking and investment functions provided to the County Treasury. The administrative costs are allocated against the earnings of the County pool prior to apportionment of earnings.

Earnings Apportionment. Earnings of the County pool are apportioned quarterly to all participants of the pool based on the average daily balance of each fund during the quarter.

Realized capital gains (the gain from securities sold at a higher price compared to cost) are added to quarterly earnings. Realized capital losses (the loss from securities sold at a lower price compared to cost) reduce quarterly earnings. To the extent that a realized capital loss exceeds the quarterly aggregate earnings of the Pool, the loss will be shared across all funds. The size of the write-down for any individual fund balance will be based on the average daily balance of each fund during the quarter in which the loss occurred.

Any apportioned earnings may not be available for withdrawal until all monies that have been earned (i.e., accrued) have actually been received by the County Treasurer.

4.8.13 Investment Policy Adoption

Pursuant to Government Code section 27133 the County Treasurer annually prepares an investment policy that is reviewed, monitored and approved by the County Treasury Oversight Committee. Any changes must be approved by the Board of Supervisors. Copies of the approved investment policy shall be circulated annually to - local agencies with funds on deposit in the County pool.

4.8.14 Voluntary Participants

The County provides the opportunity for -local agencies to deposit excess funds within the County's Commingled Pool-pursuant to Government Code section 53684., - In order to participate, voluntary participants must sign the County's Disclosure and Agreement for Voluntary Deposits which outlines the terms and conditions of participation, including constraints on deposits and withdrawals from the pool. Voluntary participants must also submit a resolution duly adopted by its governing board authorizing the deposit of funds into the Investment Pool.

It is the County's policy to not allow access to the pool unless the voluntary participant agrees to a long-term relationship utilizing the pool and County Treasury for its primary banking needs. The County does not wish to enter into relationships where an entity is placing funds because yields for a time may be higher than what is available at other organizations, because such activity can have an adverse and unfair impact on the other participants. Upon approval of the

Treasurer, accommodations may be made to utilize the County resources to make specific investments or manage segregated funds for a voluntary participant at an agreed cost.

4.8.14.1 Temporary Loans to Pool Participants

Various public entities maintain funds on deposit with the County Treasury. From time to time, these public entities experience cash flow problems. Allowing these entities to temporarily borrow from the commingled investment pool is an alternative way to address their short-term cash flow problems. In order to ensure that these temporary loans comply with all legal requirements and investment pool objectives, no such transfers shall be made unless all of the following requirements are met:

- Because the commingled investment pool consists of deposits from both restricted and unrestricted sources, all transfers shall comply with all requirements of Government Code Sections 53601, 53840, 53841 and 53842, including the requirements that they be legally characterized as loans and formalized with "evidences of indebtedness," and meet maturity and security criteria.
- All transfers shall comply with Article XVI, Section 6 of the California Constitution, including the limitations on borrowing amounts and loan periods
- No transfers shall be made during any fiscal year unless the Board of Supervisors has adopted a resolution authorizing transfers for that fiscal year. (Cal. Constitution Article XVI, Section 6; Government Code Section 25252.)
- Any inter-fund transfers between school district and community college accounts shall be formally approved by the district's governing board and shall comply with all other requirements of Education Code Sections 42603, 42620 and 85220, including requirements regarding repayment, sufficient income, and maximum transfer amounts.
- No transfer may occur until the fund needing the transfer meets the revenue sufficiency test, consistent with state law and County investment pool investment-risk constraints, established by the Director of Finance to ensure repayment.
- Direct borrowing from the pool should be a last resort funding alternative. Pool participants will be encouraged to use all available internal sources for cash flow needs through inter-fund borrowing between the participant's various funds.

The Director of Finance shall do all of the following:

- Proactively monitor fund balances.
- Establish early warning triggers to identify those funds most likely to incur an overdraft and require a transfer.
- Establish a revenue sufficiency test for the purpose of assessing repayment ability.
- Place tax apportionments assigned to an overdrawn fund in a lock box sequestered for credit to the investment pool.
- Establish and monitor investment pool exposure limits.

- Monitor funds to ensure that loans meet dry period (last Monday in April through June 30 of the fiscal year) financing restrictions.
- Restrict certain individual funds (e.g., bond reserve funds) from use as a borrowing source in inter-fund borrowing across funds held by pool participant.
- Establish a hierarchy of associated funds owned by each pool participant to be used as alternative funding sources in the event any of the participant's funds needs a loan.
- Implement accounting procedures that either manually or automatically transfer funds from one fund to another based on preset rules.
- Report within the Quarterly Investment listing all loans extended by the investment pool to participants.

The Internal Audit Division shall regularly review all of the practices and procedures in this Section to ensure compliance with all legal requirements.

4.8.15 Withdrawal of Funds by Voluntary Participants

Public entities that are voluntary participants in the County pool who wish to make withdrawals for the purpose of investing outside of the County pool may request such withdrawals in accordance with the County Investment Management Agreement.

The County Treasurer will assess the proposed withdrawal on the stability and predictability of the investments in the County pool. Prior to approving or disapproving a withdrawal request, the County Treasurer shall determine that the proposed withdrawal will not adversely affect the interests of the other depositors in the County pool. Funds are withdrawn based on the market value.

4.8.16 Warranties

All depositors acknowledge that funds deposited in the Investment Pool are subject to market/investment risk, and that the County Treasurer makes no warranties regarding Investment Pool performance, including but not limited to preservation of capital or rate of return earned on funds deposited in the Investment Pool. Depositors knowingly accept these risks and waive any claims or causes of action against the County Treasurer, the County, and any employee, official or agent of the County for loss, damage or any other injury related to the Depositors' funds in the Investment Pool, with the exception of loss, damage or injury caused solely by the County Treasurer's material failure to comply with the County Investment Policy and all applicable laws and regulations.

County of Santa Clara

Finance Agency
Controller-Treasurer Department

County Government Center
70 W. Hedding Street, East Wing, 2nd Floor
San Jose, California 95110-1705
(408) 299-5200 FAX (408) 288-9237

February 18, 2016

Submitted by: Alan Minato
Alan Minato, Controller-Treasurer

TO: BOARD OF TRUSTEES, SANTA CLARA COUNTY SCHOOL DISTRICTS
BOARDS OF DIRECTORS, SANTA CLARA COUNTY SPECIAL PURPOSE DISTRICTS

FROM: EMILY HARRISON, DIRECTOR OF FINANCE

SUBJECT: COUNTY OF SANTA CLARA TREASURY INVESTMENT PORTFOLIO STATUS

RECOMMENDATION

Receive and file the December 31, 2015 Detailed Investment Portfolio Listing.

DISCUSSION

In compliance with the State of California Government Code as amended by Chapters 783 and 784, Statutes of 1995 and in compliance with County Policy, the Santa Clara County Treasury Investment Portfolio Report as of December 31, 2015 is submitted for your review and acceptance.

The attached detailed investment reports list each investment of the County Treasury Pool as well as individual reports for specific investment funds that each school district or special district has in the County Treasury. The reports include the respective purchase and maturity dates, par value, amortized cost, market value, and yield to maturity for each investment.

A summary of market value versus cost is provided below for Commingled Investments of the County Pool.

	Cost	Market Value	Increase (Decrease)	Percent
Commingled Investments	$6,543,388,499	$6,533,597,201	($9,791,298)	-0.15%

TO: SANTA CLARA COUNTY SCHOOL DISTRICTS AND SPECIAL PURPOSE DISTRICT

The yield of the pool on December 31, 2015 was 0.72%. As a comparison, on December 31, 2015 the yield of a 6-month Treasury Bill was 0.48%. A two-year Treasury Note was 1.05%. The State of California Local Agency Investment Fund (LAIF) yield was 0.40%.

Attached with the current investment strategy is a schedule that lists the average weighted maturities and yield for the Commingled Treasury Pool. Charts outlining investment concentration and of distribution of bond maturities are provided for the Pool. Also included is a chart showing the one-year history of the Pool along with interest rates of selected comparable instruments.

Securities are purchased with the expectation that they will generally be held to maturity. Unrealized gains or losses are not reflected in the yield calculations.

The market values of securities were taken from pricing services provided by BNYMellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flows are continually monitored and are considered paramount in the selection of securities purchased for the Pool.

If any Commingled Pool participant would like further information on this report, please let us know.

Attachment:

December 2015 Quarterly Investment Summary

Quarterly Investment Report

December 31, 2015

Quarterly Investment Review Table of Contents

Quarterly Investment Report

Table of Contents

Santa Clara County Commingled Pool and Segregated Investments

December 31, 2015

Fund	Cost Value**	Market Value	Variance	% Variance
Commingled Investment Pool	$6,543,388,499	$6,533,597,201	-$9,791,298	-0.15%
Worker's Compensation	$27,370,385	$27,477,238	$106,854	0.39%
Mountain View-Los Altos	$2,020,484	$2,020,573	$89	0.00%
Palo Alto Unified	$602,065	$602,238	$173	0.03%
Park Charter Fund	$11,370,756	$11,357,886	-$12,870	-0.11%
San Jose-Evergreen	$19,826,407	$19,864,449	$38,042	0.19%
Medical Malpractice Insurance Fund (1)	$12,852,294	$12,851,387	-$907	-0.01%
Total	**$6,617,430,890**	**$6,607,770,973**	**-$9,659,917**	**-0.15%**

(1) Managed by Chandler Asset Management, Inc.

Summary of Yields* for Select Santa Clara County Investment Funds

Fund	2015			2014
	Oct 31	Nov 30	Dec 31	Dec 31
Commingled Investment Pool	0.77%	0.77%	0.72%	0.47%
Worker's Compensation	1.21%	1.21%	1.21%	1.22%
Weighted Yield	**0.78%**	**0.77%**	**0.73%**	**0.47%**

*Yield to maturity (YTM) is the rate of return paid on a bond, note, or other fixed income security if the investor buys and holds it to its maturity date and if the coupon interest paid over the life of the bond is reinvested at the same rate as the coupon rate. The calculation for YTM is based on the coupon rate, length of time to maturity, and market price at time of purchase.

Yield is a snapshot measure of the yield of the portfolio on the day it was measured based on the current portfolio holdings on that day. This is not a measure of total return, and is not intended to be, since it does not factor in unrealized capital gains and losses and reinvestment rates are dependent upon interest rate changes

**Cost Value is the amortized book value of the securities as of the date of this report.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Strategy

December 31, 2015

The Federal Reserve Bank, on December 16, 2015 raised its benchmark interest rate for the first time in almost a decade. Nearly a month later, domestic and global bond yields are lower than before the Federal Reserve Bank enacted its historical decision. Turmoil in financial markets and the subsequent easing of monetary policy in Japan and the Eurozone depressed bond yields. A severe sell-off in equity markets around the world instigated a flight from risky assets to safe havens like U.S. Treasury bonds causing yields to tumble and increasing bond prices. Concern has centered on slowing global economic growth and on China, the world's second largest economy which generated some 40 percent of total world growth in 2015. The Standard & Poor's 500 stock index is down approximately 7.6 percent since the December meeting in which Reserve Bank policy makers adjusted interest rates.

U.S. economic news have been mixed. The labor market continue as a source of strength. With nearly 70 percent of economic activity is attributable to consumer spending, employment is a key indicator of economic health. The Labor market roared forward in December when employers added 292,000 jobs to non-farm payrolls. That brought the new jobs total to 2.65 million for 2015.

Real estate markets exhibited solid growth. Sales of existing single-family homes increased 16.1 percent in December which amounted to an annual rate of 4.82 million. Purchases of multifamily properties, including condominiums and townhouses increased 4.9 percent. The median price of an existing U.S. home is $224,000. This price reflects a 7.6 percent increase between December 2014 and December 2015.

In contrast to labor markets and real estate, growth of gross domestic product (GDP) slowed. The Commerce Department reported that GDP which represents the total dollar value of goods and services produced in the U.S. rose at a meager 0.7 percent annualized rate in the three months ending in December. GDP had increased 2 percent in the prior quarter. Economists conclude growth slowed because the higher value of the dollar made U.S. exports less competitive. Exports also faced slower global demand. Plunging oil prices caused drilling firms to retrench and significantly reduce production. GDP expanded 2.4 percent in 2015 for a second straight year.

Our portfolio strategy continues to focus on: (1) acquisition of high quality issuers; (2) identifying and selecting bonds with attractive valuations; (3) appropriately sizing the liquidity portion of the portfolio to ensure adequate cash for near term obligations; and (4) ensuring that monies targeted for longer term investments are deployed in instruments with favorable risk adjusted yields. Broker-dealers have generally down-sized the amount of securities carried in inventories in response to risk-curbing rules crafted after the 2008 financial crisis, including Basel III and the 2010 Dodd-Frank Act. With more efficient software, we have been addressing this issue by scanning a larger scope of inventory listings to find attractive bonds. Our portfolio structuring does not engage in interest rate anticipation strategies.

Santa Clara County Commingled Pool and Segregated Investments

Portfolio Compliance, Review, and Monitoring

December 31, 2015

Yield and Weighted Average Maturity

The yield of the Commingled Pool is 0.72% and the weighted average life is 402 days.

Compliance

The County Treasuer believes the Commingled Pool contains sufficent cash flow from liquid and maturing securities, bank deposits and incoming cash to meet the next six months of expected expenditures.

Review and Monitoring

FTN Financial Main Street Advisors, the County's investment advisor, currently monitors the Treasury Department's investment activities.

Additional Information

Securities are purchased with the expectation that they will be held to maturity, so unrealized gains or losses are not reflected in the yield calculations.

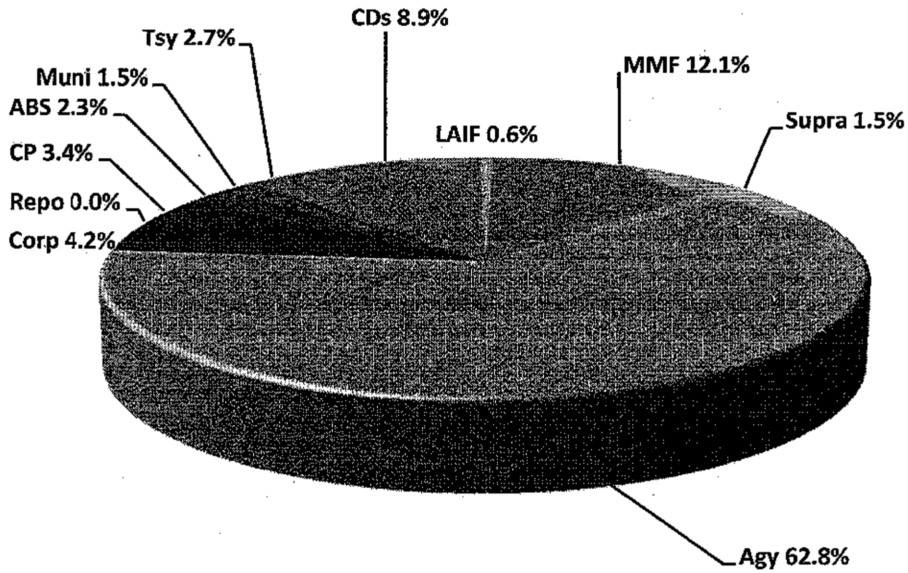
The market values of securities were taken from pricing services provided by the Bank of New York Mellon, Bloomberg Analytics, dealer quotes, and an independent pricing service.

Santa Clara County Commingled Pool

Allocation by Security Types

December 31, 2015

Sector	12/31/2015	9/30/2015	% Chng
Federal Agencies	62.79%	67.55%	-4.8%
Corporate Bonds	4.23%	5.55%	-1.3%
Repurchase Agreements	0.00%	0.00%	0.0%
Commercial Paper	3.43%	2.04%	1.4%
Asset-Backed Securities	2.25%	3.80%	-1.6%
Municipal Securities	1.52%	1.72%	-0.2%
U.S. Treasuries	2.68%	4.09%	-1.4%
Negotiable CDs	8.94%	0.71%	8.2%
LAIF	0.61%	0.82%	-0.2%
Money Market Funds	12.05%	13.71%	-1.7%
Supranationals	1.49%	0.76%	0.7%
Total	100.00%	100.76%	



Sector	12/31/2015	9/30/2015
Federal Agencies	4,108,273,874	3,313,179,435
Corporate Bonds	276,909,811	272,413,689
Repurchase Agreements	-	-
Commercial Paper	224,733,205	100,000,000
Asset-Backed Securities	147,305,396	186,608,501
Municipal Securities	99,654,387	84,553,476
U.S. Treasuries	175,478,569	200,535,958
Negotiable CDs	585,000,000	35,000,000
LAIF	40,032,216	40,000,000
Money Market Funds	788,481,963	672,161,581
Supranational	97,519,080	37,489,544
Total	6,543,388,499	4,904,452,640

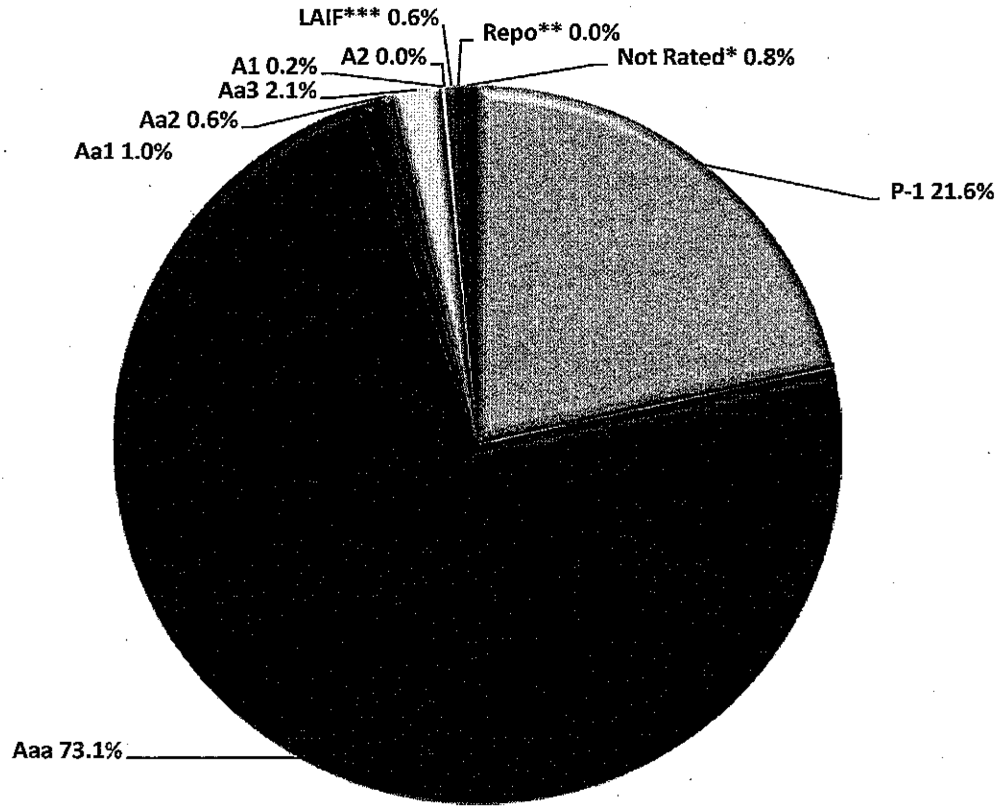
Amounts are based on book value

Santa Clara County Commingled Pool

Allocation by Ratings

December 31, 2015

Moody's Rating	Portfolio $	Portfolio %
P-1	1,413,307,198	21.6%
Aaa	4,781,548,846	73.1%
Aa1	67,976,877	1.0%
Aa2	39,259,053	0.6%
Aa3	139,371,939	2.1%
A1	10,001,239	0.2%
A2	-	0.0%
A3	-	0.0%
LAIF***	40,032,216	0.6%
Repo**	-	0.0%
Not Rated*	51,891,131	0.8%
Total	6,543,388,499	100.0%



*Not Rated by Moody's but A-1+ by S&P

**Repurchase Agreements are not rated, but are collateralized by U.S. Treasury securities or securities issued by the Federal Agencies of the U.S.

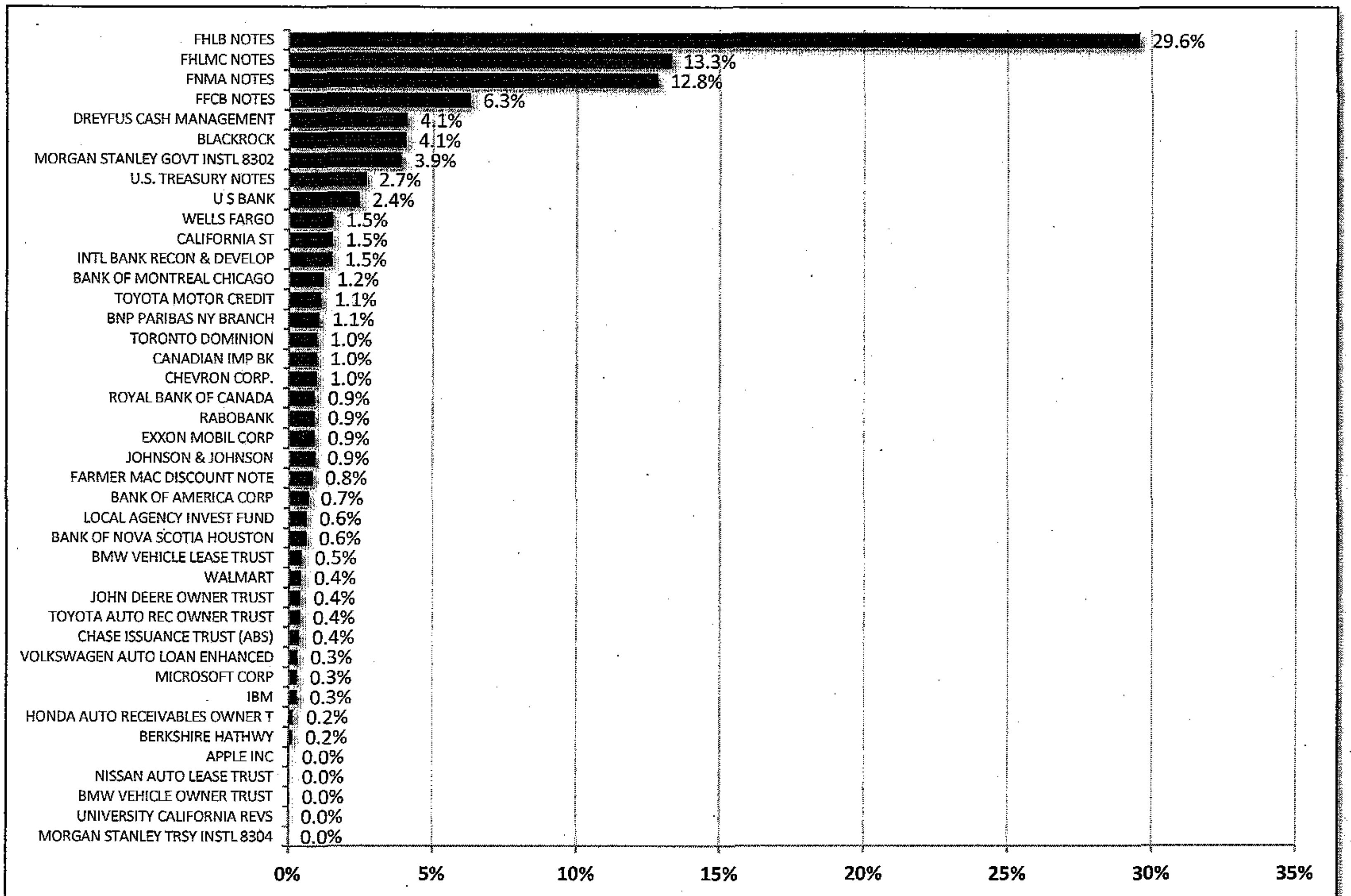
***LAIF is not rated, but is comprised of State Code allowable securities

Amounts are based on book values

Santa Clara County Commingled Pool

Holdings by Issuer - Percent of Commingled Pool

December 31, 2015

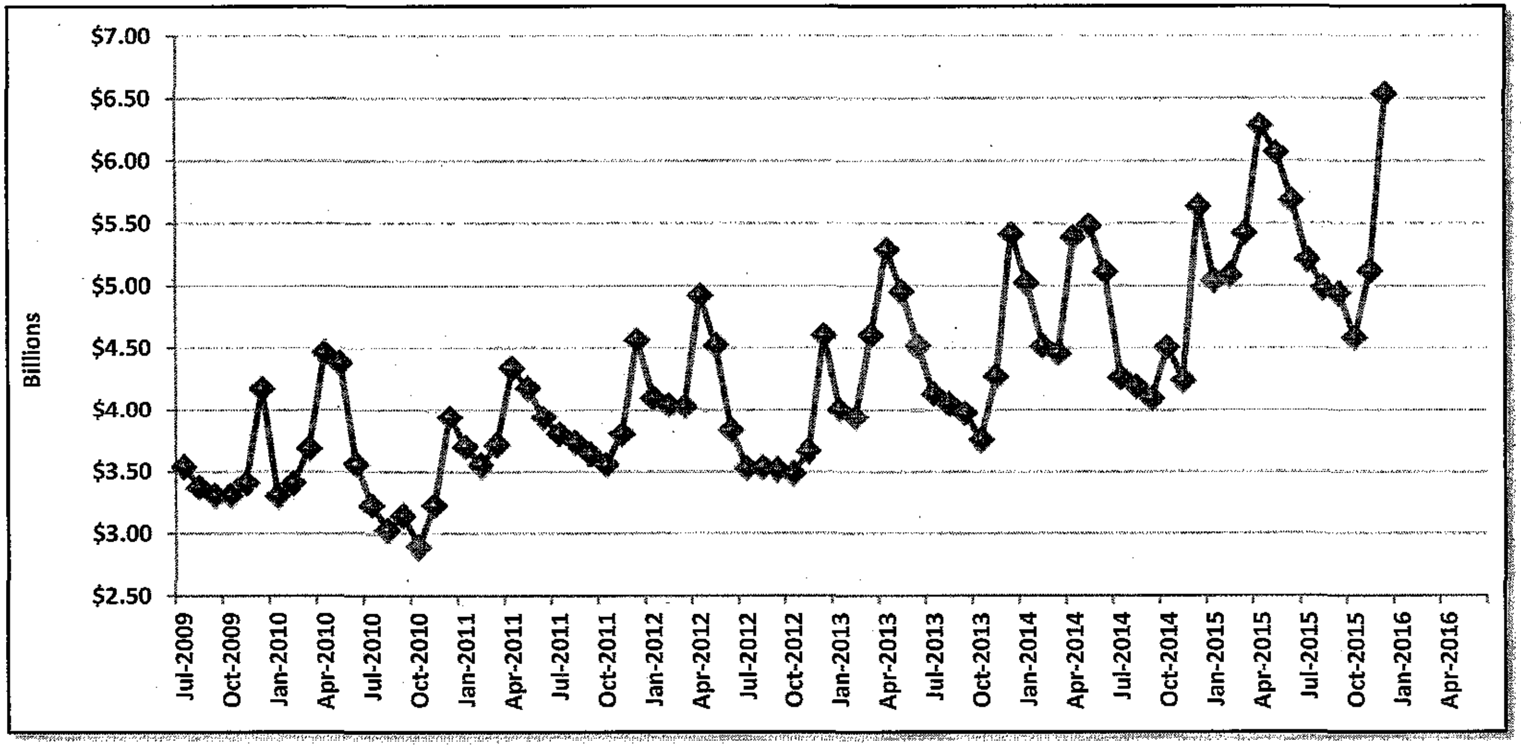


Amounts are based on book values

Santa Clara County Commingled Pool

Historical Month End Book Values

December 31, 2015



Fiscal Year	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
FY 2010	$3.541	$3.373	$3.307	$3.307	$3.408	$4.175	$3.307	$3.408	$3.687	$4.463	$4.384	$3.536
FY 2011	$3.230	$3.032	$3.143	$2.898	$3.227	$3.943	$3.695	$3.551	$3.712	$4.339	$4.179	$3.935
FY 2012	$3.801	$3.736	$3.637	$3.555	$3.805	$4.567	$4.097	$4.040	$4.032	$4.926	$4.525	$3.833
FY 2013	$3.508	$3.517	$3.515	$3.469	$3.645	$4.600	$3.918	$3.982	$4.606	$5.286	$4.952	$4.521
FY 2014	$4.133	$4.052	$3.975	$3.758	$4.271	$5.419	$5.019	$4.520	$4.461	$5.386	$5.487	$5.108
FY 2015	$4.267	$4.194	$4.096	$4.051	$4.247	$5.639	$5.045	$5.085	$5.420	$6.284	$6.065	$5.690
FY 2016	$5.212	$4.990	$4.941	$4.587	$5.120	$6.543						

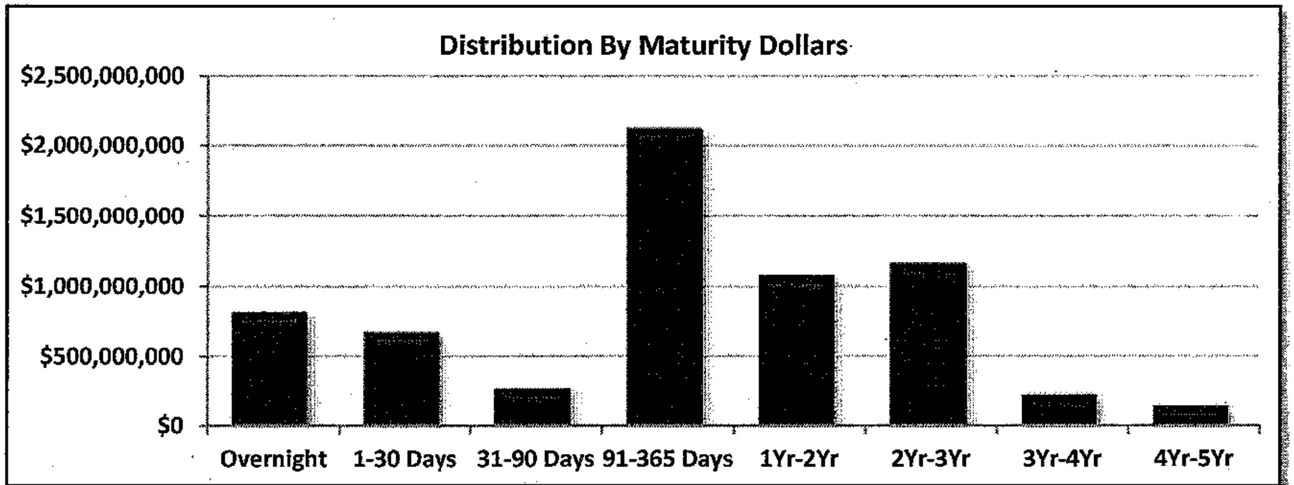
Amounts in billions

Santa Clara County Commingled Pool

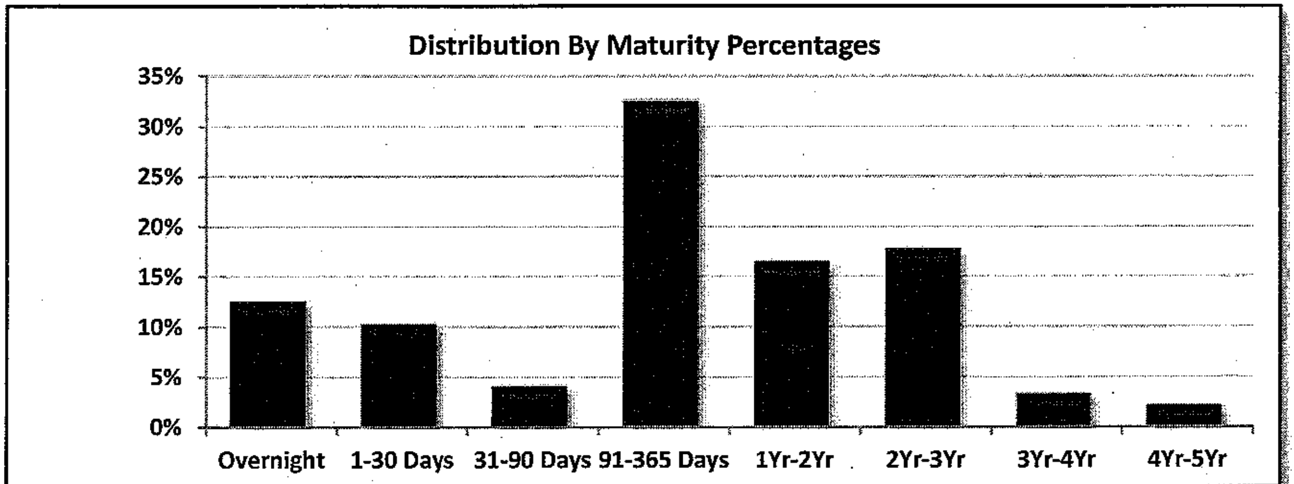
Distribution by Maturity

December 31, 2015

Maturity	Amount*
Overnight	828,514,179
1-30 Days	681,457,224
31-90 Days	273,290,087
91-365 Days	2,132,933,035
1Yr-2Yr	1,082,848,660
2Yr-3Yr	1,168,505,693
3Yr-4Yr	226,135,541
4Yr-5Yr	149,704,080
	6,543,388,499



Maturity	Amount*
Overnight	12.66%
1-30 Days	10.41%
31-90 Days	4.18%
91-365 Days	32.60%
1Yr-2Yr	16.55%
2Yr-3Yr	17.86%
3Yr-4Yr	3.46%
4Yr-5Yr	2.29%
	100.00%

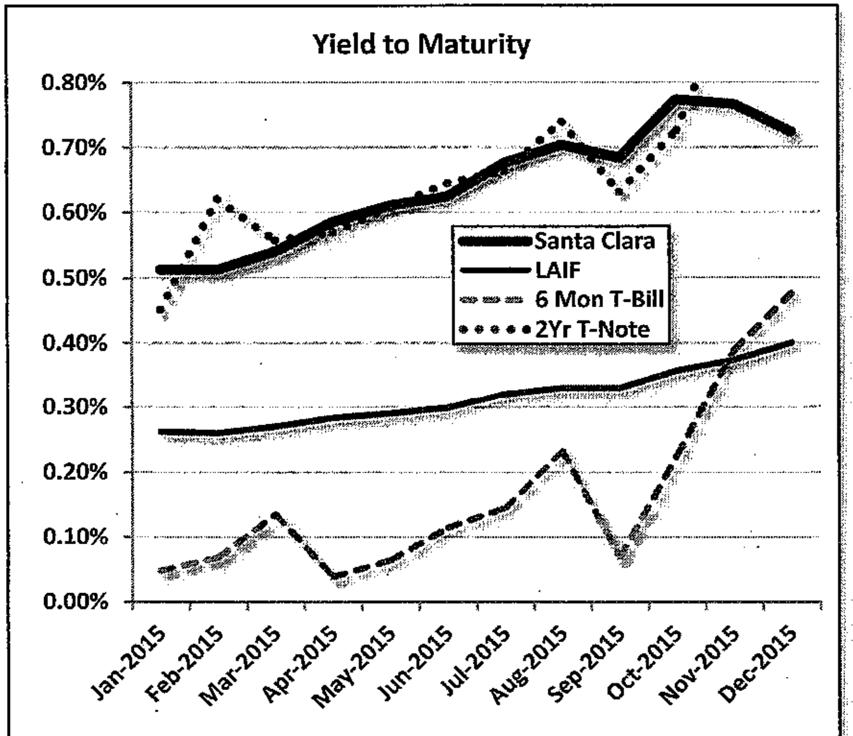


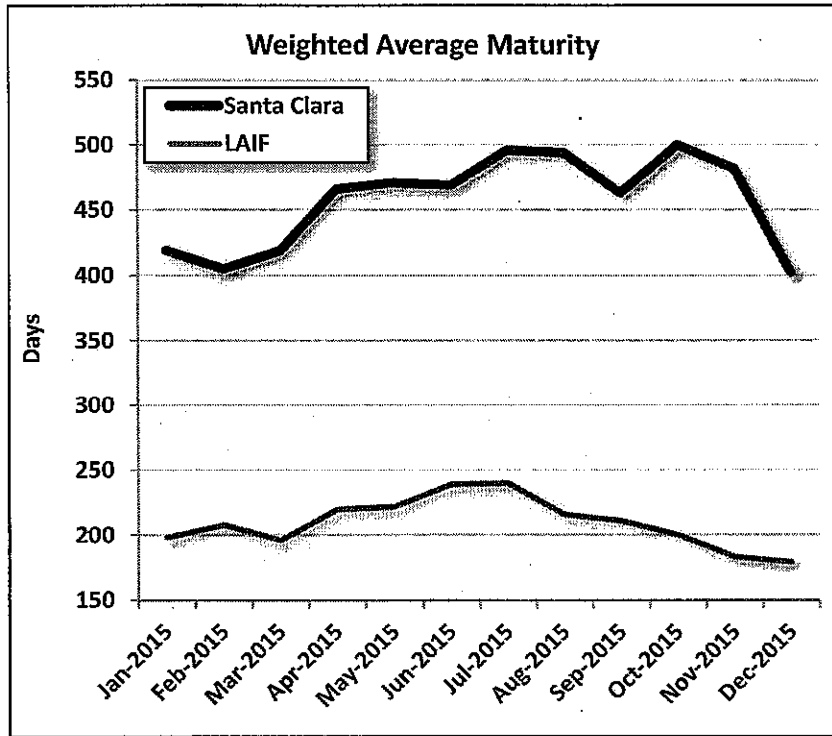
*Amounts are based on book value

Santa Clara County Commingled Pool

Yield to Maturity and Weighted Average Maturity

December 31, 2015





Item	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15
SCC YTM	0.51%	0.51%	0.54%	0.59%	0.61%	0.62%	0.68%	0.70%	0.68%	0.77%	0.77%	0.72%
LAIF YTM	0.26%	0.26%	0.27%	0.28%	0.29%	0.30%	0.32%	0.33%	0.33%	0.36%	0.37%	0.40%
6 Mon T-Bill	0.05%	0.07%	0.14%	0.04%	0.06%	0.11%	0.15%	0.23%	0.07%	0.23%	0.39%	0.48%
2Yr T-Note	0.45%	0.62%	0.56%	0.57%	0.61%	0.65%	0.66%	0.74%	0.63%	0.73%	0.93%	1.05%
SCC WAM	419	405	419	466	471	469	496	494	463	500	482	402
LAIF WAM	198	208	196	220	222	239	240	216	211	200	183	179

Santa Clara County

Approved Issuers and Broker/Dealers

December 31, 2015

Direct Commercial Paper Issuers

Toyota Motor Credit Corp
US Bancorp
Wells Fargo & Co

Broker/Dealers

Barclays Capital, Inc
Blaylock Robert Van, LLC
BMO Capital Markets
BNP Paribas Securities Corp
Brean Capital LLC
Cantor Fitzgerald & Co
Castleoak Securities LP
Citigroup Global Markets Inc
Credit Suisse Securities, USA
Daiwa Capital Markets America Inc
Deutsche Bank Securities Inc
FTN Financial, Inc
Incapital LLC
Jefferies & Co
JP Morgan Securities, Inc
Keybanc Capital Markets, Inc
Loop Capital Markets LLC
Merrill Lynch & Co Inc
Mizuho Securities USA, Inc
Morgan Stanley & Co Inc
Piper Jaffray & Co
Raymond James, Inc.
RBC Capital Markets, Inc
Stifel Nicolaus & Co
Suntrust Robinson Humphrey Inc
UBS
Vining Sparks LP
Wedbush Securities Inc
Wells Fargo Institutional Securities
Williams Capital

Santa Clara County Commingled Pool
Compliance with Investment Policy
December 31, 2015

Item/Sector	Parameters	In Compliance
Maturity	Weighted Average Maturity (WAM) must be less than 24 months	Yes
Interest Periods	Securities must pay interest within one year of the initial investment and at least semiannually in subsequent years	Yes
Investment Swaps	Similar maturity swaps, so as not to affect cash flow needs, should have minimum 5 basis point gain	Yes
Issuer Limits	No more than 5% of the portfolio shall be invested in aggregate of any single institution of the following types: Bankers Acceptances, CP, Negotiable CDs, and Corporate Notes	Yes
U.S. Treasuries	No sector limit, no issuer limit, max maturity 5 years	Yes
U.S. Federal Agencies	No sector limit, no issuer limit, max maturity 5 years	Yes
LAIF	No sector limit, no issuer limit, CA State's deposit limit $50 million	Yes
Repurchase Agreements	No sector limit, no Issuer limit, max maturity 92 days, treasury and agency collateral at 102% of investment, if maturity exceeds 15 days, must be collateralized by securities with 5 years or less maturities	Yes
Commercial Paper	Sector limit 40%, issuer limit 5%, max maturity 270 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by domestic corporation w/ at least $500 mil of assets, and long term debt rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Corporate Bonds	Sector limit 30%, issuer limit 5%, max maturity 5 years, rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's), issued by domestic corps/depositories	Yes
Money Market Funds	Sector limit 20%, issuer limit 10%, rated by at least two: AAA-m (S&P/Fitch)/Aaa-mf (Moody's), MMF has at least $500 mil managed	Yes
Negotiable Certificates of Deposit	Sector limit 30%, issuer limit 5%, max maturity 5 years, if under 1 year rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), if greater than 1 year rated by at least two: AA- (S&P/Fitch)/Aa3 (Moody's)	Yes
Municipal Securities	Sector limit 10%, no issuer limit, State of CA, local CA agencies, and other municipal securities of the other 49 states, if long-term rated, then by at least two: A- (S&P/Fitch)/A3 (Moody's), if short-term rated, then by at least two: SP-1 (S&P), MIG-1 (Moody's), F-1 (Fitch), revenue based bonds payable solely out of the States' or local agencies' revenues	Yes
Mortgage-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of conforming residential mortgage loans insured by FHLMC/FNMA and residential mortgages guaranteed by FHA (GNMA)	Yes, None in Portfolio
Asset-Backed Securities	Sector limit 20% in aggregate with ABS, no issuer limit, max maturity 5 years, collateralized by pools of loans such as installment/receivables, security must be rated by at least two: AA- (S&P/Fitch), Aa3 (Moody's), issuer rated by at least two: A- (S&P/Fitch), A3 (Moody's)	Yes
Supranational Debt Obligations	Sector limit 10%, max maturity 5 years, issued or unconditionally gauranteed by the IBRD, rated by at least two: AAA (S&P/Fitch), Aaa (Moody's)	Yes
Bankers' Acceptances	Sector limit 40%, issuer limit 5%, max maturity 180 days, rated by at least two: A-1 (S&P), P-1 (Moody's), F-1 (Fitch), issued by commercial banks	Yes, None in Portfolio
Securities Lending	Sector limit 20%, max maturity 92 days for loans and reinvestment, loan counterparty must be a primary dealer, loaned securities must be owned for at least 30 days	Yes, None in Portfolio

SANTA CLARA COUNTY INVESTMENTS
Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Negotiable CDs											
06052TRE2	36484	BANK OF AMERICA CORP	12/28/2015	45,000,000.00	45,000,000.00	45,054,405.00	0.860	0.848	0.860	09/23/2016	266
06427ELG4	36368	BANK OF MONTREAL CHICAGO	11/19/2015	40,000,000.00	40,000,000.00	39,992,880.00	0.320	0.315	0.320	02/23/2016	53
06427EPD7	36464	BANK OF MONTREAL CHICAGO	12/17/2015	40,000,000.00	40,000,000.00	39,995,480.00	0.840	0.828	0.840	07/29/2016	210
34959TDL7	36451	BNP PARIBAS NY BRANCH	12/15/2015	45,000,000.00	45,000,000.00	45,003,375.00	0.920	0.907	0.920	09/12/2016	255
34959TDP8	36483	BNP PARIBAS NY BRANCH	12/28/2015	25,000,000.00	25,000,000.00	25,001,575.00	0.850	0.838	0.850	07/29/2016	210
06417GCG1	36426	BANK OF NOVA SCOTIA HOUSTON	12/09/2015	40,000,000.00	40,000,000.00	40,003,800.00	0.400	0.394	0.400	02/08/2016	38
13606ALD8	36466	CANADIAN IMP BK	12/17/2015	30,000,000.00	30,000,000.00	29,998,140.00	0.820	0.808	0.820	07/15/2016	196
13606ALN6	36470	CANADIAN IMP BK	12/18/2015	35,000,000.00	35,000,000.00	35,000,350.00	0.850	0.838	0.850	07/29/2016	210
21685VKR9	36453	RABOBANK	12/15/2015	35,000,000.00	35,000,000.00	34,990,935.00	0.800	0.789	0.800	07/29/2016	210
21684BC36	36465	RABOBANK	12/17/2015	25,000,000.00	25,000,000.00	24,991,150.00	0.850	0.838	0.850	09/16/2016	259
78009NTJ5	35643	ROYAL BANK OF CANADA	02/12/2015	15,000,000.00	15,000,000.00	14,999,160.00	0.292	0.291	0.295	02/12/2016	42
78009NVR4	36156	ROYAL BANK OF CANADA	07/30/2015	20,000,000.00	20,000,000.00	20,000,000.00	1.693	1.669	1.693	07/30/2018	941
78009NYM2	36480	ROYAL BANK OF CANADA	12/24/2015	25,000,000.00	25,000,000.00	25,025,950.00	0.915	0.902	0.915	08/25/2016	237
89113EX27	36452	TORONTO DOMINION	12/15/2015	30,000,000.00	30,000,000.00	30,008,160.00	0.790	0.779	0.790	06/13/2016	164
89113EX92	36469	TORONTO DOMINION	12/18/2015	35,000,000.00	35,000,000.00	35,004,935.00	0.940	0.927	0.940	09/16/2016	259
94988EMB1	36386	WELLS FARGO	11/24/2015	45,000,000.00	45,000,000.00	45,051,525.00	0.620	0.611	0.620	06/21/2016	172
94988EMF2	36408	WELLS FARGO	12/03/2015	30,000,000.00	30,000,000.00	30,043,500.00	0.670	0.660	0.670	06/01/2016	152
94988EMS4	36471	WELLS FARGO	12/18/2015	25,000,000.00	25,000,000.00	25,052,650.00	0.820	0.808	0.820	07/14/2016	195
			Subtotal and Average	**585,000,000.00**	**585,000,000.00**	**585,217,970.00**		**0.765**	**0.776**		**212**
Federal Agency Bonds											
3133EDMC3	35208	FFCB NOTES	07/09/2014	19,995,408.86	20,000,000.00	20,005,080.00	0.250	0.395	0.400	02/26/2016	56
3133EECW8	35448	FFCB NOTES	11/25/2014	10,000,000.00	10,000,000.00	10,000,470.00	0.375	0.369	0.375	05/25/2016	145
3133EECW8	35449	FFCB NOTES	11/25/2014	10,000,000.00	10,000,000.00	10,000,470.00	0.375	0.369	0.375	05/25/2016	145
3133EEEC0	35475	FFCB NOTES	12/04/2014	9,999,992.31	10,000,000.00	10,000,000.00	0.220	0.226	0.229	01/04/2016	3
3133EEEC0	35481	FFCB NOTES	12/05/2014	10,499,979.76	10,500,000.00	10,500,000.00	0.220	0.239	0.243	01/04/2016	3
3133EDQM7	35497	FFCB NOTES	12/10/2014	15,010,235.86	15,000,000.00	14,981,580.00	1.000	0.942	0.955	07/17/2017	563
3133EEFE5	35527	FFCB NOTES	12/18/2014	10,006,284.44	10,000,000.00	9,996,500.00	1.125	1.077	1.092	12/18/2017	717
3133EEFE5	35529	FFCB NOTES	12/18/2014	10,000,000.00	10,000,000.00	9,996,500.00	1.125	1.109	1.125	12/18/2017	717
3133EEFZ8	35536	FFCB NOTES	12/23/2014	20,000,000.00	20,000,000.00	19,955,980.00	0.700	0.690	0.700	02/23/2017	419
3133EEFZ8	35537	FFCB NOTES	12/23/2014	29,983,044.62	30,000,000.00	29,933,970.00	0.700	0.739	0.749	02/23/2017	419

Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3133EEQX1	35678	FFCB NOTES	02/26/2015	10,013,237.06	10,000,000.00	9,972,260.00	1.000	0.909	0.922	09/25/2017	633
3133EEQX1	35683	FFCB NOTES	02/27/2015	15,007,362.93	15,000,000.00	14,958,390.00	1.000	0.958	0.971	09/25/2017	633
3133EEQX1	35757	FFCB NOTES	03/24/2015	20,036,543.82	20,000,000.00	19,944,520.00	1.000	0.880	0.893	09/25/2017	633
3133EEWG1	35799	FFCB NOTES	04/01/2015	9,927,420.34	9,950,000.00	9,859,166.45	1.300	1.353	1.371	04/01/2019	1,186
3133EEQX1	35872	FFCB NOTES	04/16/2015	10,040,677.13	10,000,000.00	9,972,260.00	1.000	0.752	0.762	09/25/2017	633
3133EEUT5	35877	FFCB NOTES	04/17/2015	12,216,241.54	12,195,000.00	12,160,122.10	0.700	0.527	0.534	01/23/2017	388
3133ECBX1	35892	FFCB NOTES	04/21/2015	5,001,858.84	5,000,000.00	4,975,085.00	0.820	0.787	0.798	09/28/2017	636
3133EEE71	35940	FFCB NOTES	05/01/2015	5,000,000.00	5,000,000.00	4,947,965.00	0.920	0.907	0.920	05/01/2018	851
3133EEE71	35941	FFCB NOTES	05/01/2015	5,000,000.00	5,000,000.00	4,947,965.00	0.920	0.907	0.920	05/01/2018	851
3133EEJ50	35965	FFCB NOTES	05/11/2015	4,992,220.14	5,000,000.00	4,968,370.00	1.030	1.082	1.097	05/11/2018	861
3133EDEB4	36201	FFCB NOTES	08/31/2015	10,052,555.71	10,000,000.00	10,018,290.00	1.100	0.734	0.744	06/28/2017	544
3133EFPJ0	36370	FFCB NOTES	11/19/2015	14,998,270.00	15,000,000.00	14,952,300.00	1.290	1.276	1.294	11/19/2018	1,053
3133EFSG3	36440	FFCB NOTES	12/14/2015	20,000,000.00	20,000,000.00	19,945,440.00	1.100	1.222	1.239	03/14/2018	803
3133EFSG3	36441	FFCB NOTES	12/14/2015	15,000,000.00	15,000,000.00	14,959,080.00	1.100	1.222	1.239	03/14/2018	803
3133EFSH1	36442	FFCB NOTES	12/14/2015	14,992,641.67	15,000,000.00	14,935,425.00	1.170	1.174	1.190	06/14/2018	895
3133EFSH1	36443	FFCB NOTES	12/14/2015	19,989,992.67	20,000,000.00	19,913,900.00	1.170	1.174	1.190	06/14/2018	895
313379DD8	33890	FHLB NOTES	12/31/2012	25,112,830.75	25,000,000.00	24,986,175.00	1.000	0.678	0.688	06/21/2017	537
3133834R9	34257	FHLB NOTES	05/10/2013	14,995,913.57	15,000,000.00	14,981,205.00	0.375	0.426	0.432	06/24/2016	175
3133834R9	34261	FHLB NOTES	05/13/2013	34,986,010.30	35,000,000.00	34,956,145.00	0.375	0.452	0.458	06/24/2016	175
3133834R9	34533	FHLB NOTES	09/17/2013	24,960,393.93	25,000,000.00	24,968,675.00	0.375	0.698	0.708	06/24/2016	175
313373SZ6	34652	FHLB NOTES	11/14/2013	22,509,192.28	22,355,000.00	22,499,234.46	2.125	0.542	0.550	06/10/2016	161
313373SZ6	34663	FHLB NOTES	11/19/2013	25,179,587.13	25,000,000.00	25,161,300.00	2.125	0.479	0.486	06/10/2016	161
313373SZ6	34682	FHLB NOTES	11/26/2013	50,359,924.51	50,000,000.00	50,322,600.00	2.125	0.476	0.483	06/10/2016	161
313373SZ6	34749	FHLB NOTES	12/17/2013	15,106,376.88	15,000,000.00	15,096,780.00	2.125	0.500	0.507	06/10/2016	161
3130A0SD3	34848	FHLB NOTES	01/24/2014	9,999,020.67	10,000,000.00	10,000,160.00	0.380	0.447	0.453	02/19/2016	49
3130A1NN4	35004	FHLB NOTES	04/11/2014	14,987,033.08	15,000,000.00	14,978,850.00	0.875	0.925	0.937	05/24/2017	509
313375RN9	35020	FHLB NOTES	04/17/2014	15,017,807.02	15,000,000.00	15,018,840.00	1.000	0.381	0.386	03/11/2016	70
3130A22N5	35097	FHLB NOTES	05/19/2014	9,999,411.13	10,000,000.00	9,996,320.00	0.420	0.427	0.433	06/06/2016	157
3130A2C61	35136	FHLB NOTES	06/06/2014	4,998,440.75	5,000,000.00	4,996,930.00	0.375	0.439	0.446	06/10/2016	161
3130A22N5	35193	FHLB NOTES	06/30/2014	24,994,989.22	25,000,000.00	24,990,800.00	0.420	0.460	0.466	06/06/2016	157
3130A2C61	35195	FHLB NOTES	06/30/2014	4,997,955.71	5,000,000.00	4,996,930.00	0.375	0.461	0.468	06/10/2016	161
3130A22N5	35206	FHLB NOTES	07/09/2014	19,992,283.84	20,000,000.00	19,992,640.00	0.420	0.503	0.510	06/06/2016	157

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Federal Agency Bonds											
3130A22N5	35397	FHLB NOTES	10/30/2014	29,999,757.81	30,000,000.00	29,988,960.00	0.420	0.416	0.421	06/06/2016	157
3130A3CE2	35398	FHLB NOTES	10/30/2014	20,014,230.40	20,000,000.00	19,990,540.00	0.625	0.526	0.533	10/14/2016	287
3130A3CE2	35402	FHLB NOTES	10/31/2014	10,004,202.73	10,000,000.00	9,995,270.00	0.625	0.563	0.571	10/14/2016	287
3130A3FM1	35404	FHLB NOTES	11/04/2014	10,000,000.00	10,000,000.00	9,999,780.00	0.300	0.295	0.300	03/01/2016	60
3130A3FM1	35405	FHLB NOTES	11/04/2014	10,000,000.00	10,000,000.00	9,999,780.00	0.300	0.295	0.300	03/01/2016	60
3130A3CE2	35407	FHLB NOTES	11/06/2014	10,002,554.30	10,000,000.00	9,995,270.00	0.625	0.584	0.592	10/14/2016	287
3130A3CE2	35408	FHLB NOTES	11/06/2014	15,003,831.45	15,000,000.00	14,992,905.00	0.625	0.584	0.592	10/14/2016	287
3130A3GV0	35416	FHLB NOTES	11/10/2014	10,000,000.00	10,000,000.00	10,000,520.00	0.290	0.286	0.290	02/25/2016	55
3130A3M35	35466	FHLB NOTES	12/02/2014	10,001,010.71	10,000,000.00	9,990,130.00	0.520	0.500	0.507	10/14/2016	287
3130A3P32	35482	FHLB NOTES	12/05/2014	15,000,143.11	15,000,000.00	14,996,100.00	0.430	0.422	0.428	07/01/2016	182
3130A3P32	35483	FHLB NOTES	12/05/2014	10,000,000.00	10,000,000.00	9,997,400.00	0.430	0.424	0.430	07/01/2016	182
3130A3P32	35488	FHLB NOTES	12/09/2014	24,993,033.81	25,000,000.00	24,993,500.00	0.430	0.479	0.486	07/01/2016	182
3130A3PB4	35496	FHLB NOTES	12/10/2014	49,999,859.38	50,000,000.00	50,000,000.00	0.230	0.260	0.263	01/04/2016	3
3130A3P40	35505	FHLB NOTES	12/11/2014	24,981,453.25	25,000,000.00	24,948,050.00	0.875	0.912	0.925	07/03/2017	549
3130A3PB4	35506	FHLB NOTES	12/11/2014	9,999,971.80	10,000,000.00	10,000,000.00	0.230	0.260	0.263	01/04/2016	3
3130A2C61	35512	FHLB NOTES	12/12/2014	13,968,722.16	13,975,000.00	13,966,419.35	0.375	0.470	0.477	06/10/2016	161
3133782N0	35516	FHLB NOTES	12/15/2014	25,016,760.31	25,000,000.00	24,982,325.00	0.875	0.806	0.818	03/10/2017	434
3133782N0	35517	FHLB NOTES	12/15/2014	35,051,106.96	35,000,000.00	34,975,255.00	0.875	0.740	0.751	03/10/2017	434
3130A2C61	35520	FHLB NOTES	12/16/2014	24,994,268.26	25,000,000.00	24,984,650.00	0.375	0.421	0.427	06/10/2016	161
3130A3RW6	35528	FHLB NOTES	12/18/2014	25,019,527.69	25,000,000.00	24,998,250.00	1.000	0.938	0.951	08/15/2017	592
3130A3PB4	35530	FHLB NOTES	12/18/2014	24,999,930.19	25,000,000.00	25,000,000.00	0.230	0.259	0.263	01/04/2016	3
3130A3SZ8	35531	FHLB NOTES	12/18/2014	16,991,877.09	17,000,000.00	17,000,578.00	0.950	0.966	0.980	08/15/2017	592
3130A3P81	35541	FHLB NOTES	12/29/2014	15,000,000.00	15,000,000.00	15,001,020.00	0.250	0.246	0.250	01/29/2016	28
3130A3P81	35542	FHLB NOTES	12/29/2014	10,000,000.00	10,000,000.00	10,000,680.00	0.250	0.246	0.250	01/29/2016	28
3130A3P81	35543	FHLB NOTES	12/29/2014	25,000,000.00	25,000,000.00	25,001,700.00	0.250	0.246	0.250	01/29/2016	28
3130A3P81	35544	FHLB NOTES	12/29/2014	25,000,000.00	25,000,000.00	25,001,700.00	0.250	0.246	0.250	01/29/2016	28
3130A2Y75	35548	FHLB NOTES	12/30/2014	30,001,140.91	30,000,000.00	30,000,270.00	0.400	0.374	0.380	03/10/2016	69
3130A3SL9	35549	FHLB NOTES	12/30/2014	10,004,263.05	10,000,000.00	10,016,400.00	0.950	0.907	0.920	06/15/2017	531
3130A4GJ5	35684	FHLB NOTES	02/27/2015	19,993,257.64	20,000,000.00	19,947,860.00	1.125	1.124	1.139	04/25/2018	845
3130A4GJ5	35685	FHLB NOTES	02/27/2015	11,995,954.59	12,000,000.00	11,968,716.00	1.125	1.124	1.139	04/25/2018	845
3130A4WA6	35803	FHLB NOTES	04/06/2015	25,000,000.00	25,000,000.00	24,799,925.00	1.000	0.986	1.000	07/06/2018	917
3130A4WB4	35815	FHLB NOTES	04/08/2015	20,000,000.00	20,000,000.00	19,894,860.00	0.875	0.863	0.875	01/08/2018	738

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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3130A4UP5	35816	FHLB NOTES	04/08/2015	25,036,739.88	25,000,000.00	24,788,450.00	1.050	0.976	0.990	06/29/2018	910
313383VN8	35826	FHLB NOTES	04/09/2015	9,683,477.01	9,460,000.00	9,587,804.60	2.000	1.321	1.340	09/13/2019	1,351
313383VN8	35827	FHLB NOTES	04/09/2015	25,739,155.91	25,155,000.00	25,494,844.05	2.000	1.332	1.351	09/13/2019	1,351
3130A4WA6	35855	FHLB NOTES	04/14/2015	11,997,009.29	12,000,000.00	11,903,964.00	1.000	0.996	1.010	07/06/2018	917
3130A4Y71	35864	FHLB NOTES	04/15/2015	26,503,287.86	26,500,000.00	26,289,749.00	1.000	0.981	0.994	06/15/2018	896
3130A4YA4	35865	FHLB NOTES	04/15/2015	16,919,391.13	16,915,000.00	16,756,675.60	1.050	1.025	1.039	08/15/2018	957
313378QK0	35867	FHLB NOTES	04/15/2015	10,205,282.75	10,000,000.00	10,119,060.00	1.875	1.196	1.213	03/08/2019	1,162
3130A4KD3	35879	FHLB NOTES	04/17/2015	10,021,379.98	10,000,000.00	9,982,150.00	0.750	0.561	0.568	03/09/2017	433
313379DT3	35906	FHLB NOTES	04/23/2015	20,116,621.51	20,000,000.00	19,984,280.00	1.250	0.992	1.006	06/08/2018	889
313378A43	35922	FHLB NOTES	04/28/2015	10,094,926.87	10,000,000.00	10,031,410.00	1.375	0.921	0.934	03/09/2018	798
3130A57J2	35952	FHLB NOTES	05/06/2015	9,997,181.80	10,000,000.00	9,925,280.00	1.000	0.997	1.011	07/06/2018	917
3133XRFZ8	35956	FHLB NOTES	05/07/2015	5,429,027.45	5,000,000.00	5,410,440.00	4.750	1.138	1.154	06/08/2018	889
313379DT3	35957	FHLB NOTES	05/07/2015	5,016,458.55	5,000,000.00	4,996,070.00	1.250	1.096	1.112	06/08/2018	889
3130A57G8	35958	FHLB NOTES	05/07/2015	14,988,192.00	15,000,000.00	14,860,200.00	1.050	1.066	1.081	08/07/2018	949
313378A43	36053	FHLB NOTES	06/18/2015	5,025,423.24	5,000,000.00	5,015,705.00	1.375	1.122	1.138	03/09/2018	798
313378A43	36059	FHLB NOTES	06/19/2015	5,035,460.00	5,000,000.00	5,015,705.00	1.375	1.031	1.045	03/09/2018	798
3133XQSE3	36129	FHLB NOTES	07/16/2015	5,344,430.49	5,000,000.00	5,316,495.00	4.110	1.044	1.058	04/18/2018	838
3130A62S5	36143	FHLB NOTES	07/24/2015	9,982,264.19	10,000,000.00	9,949,860.00	0.750	0.846	0.858	08/28/2017	605
3130A62S5	36144	FHLB NOTES	07/24/2015	14,973,396.29	15,000,000.00	14,924,790.00	0.750	0.846	0.858	08/28/2017	605
3130A6AE7	36228	FHLB NOTES	09/16/2015	4,990,161.69	5,000,000.00	4,975,270.00	1.125	1.182	1.199	09/14/2018	987
3130A6LZ8	36267	FHLB NOTES	10/09/2015	10,978,785.82	11,000,000.00	10,901,583.00	0.625	0.928	0.941	10/26/2017	664
3130A5Z77	36288	FHLB NOTES	10/21/2015	5,074,773.92	5,000,000.00	4,989,825.00	1.830	1.461	1.482	07/29/2020	1,671
3130A5Z77	36289	FHLB NOTES	10/21/2015	5,085,085.91	5,000,000.00	4,989,825.00	1.830	1.418	1.438	07/29/2020	1,671
3130A5Z77	36298	FHLB NOTES	10/23/2015	5,083,216.32	5,000,000.00	4,989,825.00	1.830	1.432	1.452	07/29/2020	1,671
3130A5Z77	36308	FHLB NOTES	10/26/2015	10,136,611.79	10,000,000.00	9,979,650.00	1.830	1.498	1.519	07/29/2020	1,671
3130A5Z77	36310	FHLB NOTES	10/26/2015	5,070,133.80	5,000,000.00	4,989,825.00	1.830	1.490	1.511	07/29/2020	1,671
3130A6SW8	36376	FHLB NOTES	11/20/2015	20,000,000.00	20,000,000.00	19,950,180.00	1.000	0.986	1.000	12/19/2017	718
3130A6SW8	36377	FHLB NOTES	11/20/2015	20,000,000.00	20,000,000.00	19,950,180.00	1.000	0.986	1.000	12/19/2017	718
313379EE5	36402	FHLB NOTES	12/02/2015	17,303,200.27	17,200,000.00	17,255,022.80	1.625	1.426	1.446	06/14/2019	1,260
3130A4PA4	36407	FHLB NOTES	12/03/2015	10,002,125.42	10,000,000.00	9,970,660.00	1.100	1.075	1.090	03/19/2018	808
3137EACW7	33721	FHLMC NOTES	11/01/2012	20,178,207.86	20,000,000.00	20,160,960.00	2.000	0.602	0.610	08/25/2016	237
3137EADQ9	34532	FHLMC NOTES	09/17/2013	24,979,288.70	25,000,000.00	25,002,125.00	0.500	0.718	0.728	05/13/2016	133

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Federal Agency Bonds											
3137EADS5	34543	FHLMC NOTES	09/23/2013	10,003,418.62	10,000,000.00	10,007,390.00	0.875	0.819	0.830	10/14/2016	287
3137EADQ9	34723	FHLMC NOTES	12/10/2013	50,006,970.45	50,000,000.00	50,004,250.00	0.500	0.455	0.461	05/13/2016	133
3137EADQ9	34751	FHLMC NOTES	12/17/2013	44,403,654.54	44,400,000.00	44,403,774.00	0.500	0.470	0.477	05/13/2016	133
3137EADQ9	34754	FHLMC NOTES	12/18/2013	25,003,334.34	25,000,000.00	25,002,125.00	0.500	0.457	0.463	05/13/2016	133
3137EADQ9	34971	FHLMC NOTES	04/01/2014	19,999,272.44	20,000,000.00	20,001,700.00	0.500	0.502	0.509	05/13/2016	133
3137EADN6	35207	FHLMC NOTES	07/09/2014	9,896,456.14	10,000,000.00	9,919,520.00	0.750	1.255	1.273	01/12/2018	742
3137EADH9	35498	FHLMC NOTES	12/10/2014	25,035,417.85	25,000,000.00	24,997,525.00	1.000	0.891	0.903	06/29/2017	545
3137EADT3	35507	FHLMC NOTES	12/11/2014	15,027,824.34	15,000,000.00	14,992,185.00	0.875	0.701	0.710	02/22/2017	418
3137EADC0	35508	FHLMC NOTES	12/11/2014	16,962,462.77	16,917,000.00	16,931,024.19	1.000	0.760	0.770	03/08/2017	432
3137EADC0	35546	FHLMC NOTES	12/29/2014	16,872,615.31	16,850,000.00	16,863,968.65	1.000	0.873	0.885	03/08/2017	432
3137EADJ5	35556	FHLMC NOTES	12/30/2014	24,999,541.76	25,000,000.00	24,958,425.00	1.000	0.987	1.001	07/28/2017	574
3134G3M31	35755	FHLMC NOTES	03/23/2015	20,035,039.38	20,000,000.00	19,947,980.00	1.000	0.885	0.897	09/27/2017	635
3134G3B90	35756	FHLMC NOTES	03/24/2015	15,006,409.76	15,000,000.00	14,961,720.00	0.875	0.836	0.848	08/15/2017	592
3137EADN6	35760	FHLMC NOTES	03/25/2015	9,967,769.22	10,000,000.00	9,919,520.00	0.750	0.898	0.911	01/12/2018	742
3137EADN6	35761	FHLMC NOTES	03/25/2015	9,963,195.93	10,000,000.00	9,919,520.00	0.750	0.921	0.933	01/12/2018	742
3137EADN6	35785	FHLMC NOTES	03/30/2015	4,982,308.63	5,000,000.00	4,959,760.00	0.750	0.914	0.926	01/12/2018	742
3137EADM8	35873	FHLMC NOTES	04/16/2015	29,929,589.85	30,000,000.00	29,591,070.00	1.250	1.296	1.314	10/02/2019	1,370
3134G6TF0	35893	FHLMC NOTES	04/21/2015	24,997,066.64	25,000,000.00	24,765,225.00	0.930	0.922	0.934	06/29/2018	910
3134G3ZH6	35942	FHLMC NOTES	05/01/2015	10,038,280.45	10,000,000.00	10,003,040.00	1.000	0.742	0.753	07/25/2017	571
3137EADM8	36322	FHLMC NOTES	10/29/2015	9,959,173.60	10,000,000.00	9,863,690.00	1.250	1.343	1.362	10/02/2019	1,370
3137EADM8	36332	FHLMC NOTES	11/04/2015	18,199,106.83	18,350,000.00	18,099,871.15	1.250	1.456	1.476	10/02/2019	1,370
3137EADM8	36337	FHLMC NOTES	11/06/2015	7,915,749.87	8,000,000.00	7,890,952.00	1.250	1.519	1.540	10/02/2019	1,370
3137EADM8	36340	FHLMC NOTES	11/09/2015	9,873,759.02	10,000,000.00	9,863,690.00	1.250	1.576	1.598	10/02/2019	1,370
3134G85H8	36396	FHLMC NOTES	11/30/2015	29,290,463.53	29,299,000.00	29,232,403.37	1.400	1.390	1.410	11/26/2018	1,060
3137EADX4	36436	FHLMC NOTES	12/11/2015	19,979,969.06	20,000,000.00	19,946,500.00	1.000	1.031	1.046	12/15/2017	714
3137EADX4	36437	FHLMC NOTES	12/11/2015	14,984,976.80	15,000,000.00	14,959,875.00	1.000	1.031	1.046	12/15/2017	714
3135G0ES8	32277	FNMA NOTES	02/06/2012	20,071,567.89	20,000,000.00	20,092,860.00	1.375	0.941	0.954	11/15/2016	319
31359M4D2	32308	FNMA NOTES	02/22/2012	15,625,389.45	15,000,000.00	15,678,120.00	5.000	1.132	1.147	02/13/2017	409
3135G0ES8	33714	FNMA NOTES	10/29/2012	20,122,235.71	20,000,000.00	20,092,860.00	1.375	0.654	0.663	11/15/2016	319
3135G0XP3	34271	FNMA NOTES	05/17/2013	19,988,451.06	20,000,000.00	19,975,880.00	0.375	0.481	0.488	07/05/2016	186
3135G0YE7	34555	FNMA NOTES	09/27/2013	24,982,638.23	25,000,000.00	25,001,275.00	0.625	0.722	0.732	08/26/2016	238
3135G0XP3	34664	FNMA NOTES	11/20/2013	14,989,339.68	15,000,000.00	14,981,910.00	0.375	0.508	0.515	07/05/2016	186

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Federal Agency Bonds											
3135G0XP3	34692	FNMA NOTES	11/27/2013	24,984,022.60	25,000,000.00	24,969,850.00	0.375	0.574	0.582	07/05/2016	186
3135G0XP3	34720	FNMA NOTES	12/10/2013	29,975,831.35	30,000,000.00	29,963,820.00	0.375	0.526	0.533	07/05/2016	186
3135G0YE7	34721	FNMA NOTES	12/10/2013	25,006,922.39	25,000,000.00	25,001,275.00	0.625	0.574	0.582	08/26/2016	238
3135G0GY3	34738	FNMA NOTES	12/13/2013	30,144,451.20	30,000,000.00	30,112,500.00	1.250	0.786	0.797	01/30/2017	395
3135G0XP3	34739	FNMA NOTES	12/13/2013	24,975,283.73	25,000,000.00	24,969,850.00	0.375	0.655	0.665	07/05/2016	186
3135G0XP3	34750	FNMA NOTES	12/17/2013	34,973,026.36	35,000,000.00	34,957,790.00	0.375	0.606	0.615	07/05/2016	186
3135G0ZB2	34913	FNMA NOTES	03/10/2014	9,985,385.63	10,000,000.00	9,971,650.00	0.750	0.852	0.863	04/20/2017	475
3135G0VC4	35447	FNMA NOTES	11/25/2014	9,987,944.25	10,000,000.00	9,954,570.00	1.130	1.170	1.186	02/28/2018	789
3135G0VC4	35454	FNMA NOTES	11/26/2014	5,995,664.18	6,000,000.00	5,972,742.00	1.130	1.148	1.164	02/28/2018	789
3135G0PP2	35750	FNMA NOTES	03/20/2015	16,386,610.53	16,365,000.00	16,328,947.91	1.000	0.909	0.922	09/20/2017	628
3135G0WJ8	35762	FNMA NOTES	03/25/2015	14,943,107.71	15,000,000.00	14,859,390.00	0.875	1.022	1.036	05/21/2018	871
3135G0YM9	35814	FNMA NOTES	04/07/2015	25,566,242.75	25,000,000.00	25,350,075.00	1.875	1.009	1.023	09/18/2018	991
3135G0UU5	35847	FNMA NOTES	04/13/2015	7,071,767.07	7,000,000.00	6,996,241.00	1.750	1.474	1.494	03/06/2020	1,526
3135G0UU5	35856	FNMA NOTES	04/14/2015	14,736,346.93	14,584,000.00	14,576,168.39	1.750	1.469	1.489	03/06/2020	1,526
3135G0MZ3	35943	FNMA NOTES	05/01/2015	10,017,883.11	10,000,000.00	9,965,930.00	0.875	0.755	0.765	08/28/2017	605
3136FTZZ5	36088	FNMA NOTES	06/26/2015	7,443,395.75	7,370,000.00	7,436,661.65	1.750	1.397	1.417	01/30/2019	1,125
3136FPYB7	36128	FNMA NOTES	07/16/2015	4,702,815.25	4,619,000.00	4,685,555.17	2.050	0.727	0.737	05/23/2017	508
3135G0A78	36347	FNMA NOTES	11/13/2015	9,981,217.51	10,000,000.00	9,962,290.00	1.625	1.650	1.673	01/21/2020	1,481
3135G0A78	36361	FNMA NOTES	11/18/2015	20,006,022.62	20,000,000.00	19,924,580.00	1.625	1.585	1.607	01/21/2020	1,481
3135G0WJ8	36378	FNMA NOTES	11/20/2015	14,896,485.02	15,000,000.00	14,859,390.00	0.875	1.152	1.168	05/21/2018	871
3135G0A78	36383	FNMA NOTES	11/24/2015	9,987,028.72	10,000,000.00	9,962,290.00	1.625	1.635	1.658	01/21/2020	1,481
3135G0A78	36384	FNMA NOTES	11/24/2015	9,987,808.95	10,000,000.00	9,962,290.00	1.625	1.633	1.656	01/21/2020	1,481
			Subtotal and Average	**2,645,857,406.53**	**2,640,959,000.00**	**2,639,224,813.89**		**0.786**	**0.797**		**519**
Federal Agency Bonds - CALLABLE											
3133EFKM8	36323	FFCB NOTES	10/29/2015	14,975,354.43	15,000,000.00	14,865,325.00	0.710	0.791	0.802	10/20/2017	658
3133EFMU8	36492	FFCB NOTES	12/31/2015	13,180,034.00	13,300,000.00	13,179,661.60	0.950	1.324	1.343	05/02/2018	852
3130A3UU6	35595	FHLB NOTES	01/27/2015	35,000,000.00	35,000,000.00	34,948,165.00	0.875	0.863	0.875	01/27/2017	392
3130A3UU6	35712	FHLB NOTES	03/09/2015	15,004,867.70	15,000,000.00	14,977,785.00	0.875	0.832	0.844	01/27/2017	392
3130A4MS8	35782	FHLB NOTES	03/30/2015	6,875,000.00	6,875,000.00	6,864,309.38	1.000	0.986	1.000	06/30/2017	546
3130A4NZ1	35783	FHLB NOTES	03/30/2015	7,499,391.24	7,500,000.00	7,509,795.00	1.600	1.580	1.602	03/29/2019	1,183
3130A4QS4	35844	FHLB NOTES	04/13/2015	5,000,000.00	5,000,000.00	5,003,530.00	1.250	1.232	1.250	04/13/2018	833

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Federal Agency Bonds - CALLABLE											
3130A4RJ3	35846	FHLB NOTES	04/13/2015	10,600,000.00	10,600,000.00	10,571,337.60	1.200	1.183	1.200	07/13/2018	924
3130A4PZ9	35866	FHLB NOTES	04/15/2015	5,000,000.00	5,000,000.00	4,980,565.00	1.450	1.430	1.450	10/15/2018	1,018
3130A4YH9	35905	FHLB NOTES	04/23/2015	10,000,000.00	10,000,000.00	9,946,670.00	1.100	1.084	1.099	04/20/2018	840
3130A4Y55	35914	FHLB NOTES	04/27/2015	10,000,000.00	10,000,000.00	9,944,770.00	1.125	1.109	1.125	04/27/2018	847
3130A4Y55	35915	FHLB NOTES	04/27/2015	10,000,000.00	10,000,000.00	9,944,770.00	1.125	1.109	1.125	04/27/2018	847
3130A4Y55	35916	FHLB NOTES	04/27/2015	20,000,000.00	20,000,000.00	19,889,540.00	1.125	1.109	1.125	04/27/2018	847
3130A4Z88	35929	FHLB NOTES	04/29/2015	5,000,000.00	5,000,000.00	4,940,590.00	1.220	1.203	1.220	10/29/2018	1,032
3130A4Z88	35935	FHLB NOTES	04/29/2015	5,000,000.00	5,000,000.00	4,940,590.00	1.220	1.203	1.220	10/29/2018	1,032
3130A4HT2	36041	FHLB NOTES	06/15/2015	10,074,753.38	10,000,000.00	10,022,630.00	1.750	1.287	1.305	09/18/2017	626
3130A3XL3	36117	FHLB NOTES	07/09/2015	7,208,044.24	7,250,000.00	7,162,275.00	1.500	1.624	1.646	02/10/2020	1,501
3130A5SS9	36138	FHLB NOTES	07/22/2015	7,325,000.00	7,325,000.00	7,333,833.95	1.450	1.430	1.450	01/22/2019	1,117
3130A5XK0	36151	FHLB NOTES	07/28/2015	25,000,000.00	25,000,000.00	24,923,325.00	0.800	0.789	0.800	07/28/2017	574
3130A6WL7	36486	FHLB NOTES	12/29/2015	25,000,000.00	25,000,000.00	24,961,325.00	1.300	1.282	1.300	06/29/2018	910
3134G6TW3	35911	FHLMC NOTES	04/27/2015	10,000,000.00	10,000,000.00	9,936,540.00	1.150	1.134	1.150	07/27/2018	938
3134G6TW3	35912	FHLMC NOTES	04/27/2015	12,498,021.37	12,500,000.00	12,420,675.00	1.150	1.140	1.156	07/27/2018	938
3134G6TW3	35913	FHLMC NOTES	04/27/2015	15,000,000.00	15,000,000.00	14,904,810.00	1.150	1.134	1.150	07/27/2018	938
3134G6UE1	35930	FHLMC NOTES	04/29/2015	10,000,000.00	10,000,000.00	9,945,450.00	1.250	1.232	1.250	10/29/2018	1,032
3134G6UW1	35931	FHLMC NOTES	04/29/2015	6,135,000.00	6,135,000.00	6,136,079.76	1.400	1.380	1.400	04/29/2019	1,214
3134G6L76	36008	FHLMC NOTES	05/29/2015	5,000,000.00	5,000,000.00	4,986,945.00	1.250	1.232	1.250	05/25/2018	875
3134G67C1	36066	FHLMC NOTES	06/22/2015	9,989,687.50	10,000,000.00	9,933,420.00	1.200	1.225	1.242	06/22/2018	903
3134G64W0	36076	FHLMC NOTES	06/23/2015	9,999,261.11	10,000,000.00	9,972,830.00	0.900	0.892	0.905	06/23/2017	539
3134G64W0	36087	FHLMC NOTES	06/26/2015	10,003,116.32	10,000,000.00	9,972,830.00	0.900	0.866	0.878	06/23/2017	539
3134G6V26	36094	FHLMC NOTES	06/29/2015	6,425,000.00	6,425,000.00	6,432,523.68	1.250	1.232	1.250	06/29/2018	910
3134G7GW5	36147	FHLMC NOTES	07/27/2015	5,747,041.94	5,750,000.00	5,751,454.75	1.250	1.253	1.270	07/27/2018	938
3134G6FY4	36148	FHLMC NOTES	07/27/2015	15,025,988.87	15,000,000.00	15,005,400.00	0.750	1.329	1.348	09/11/2017	619
3134G34W7	36309	FHLMC NOTES	10/26/2015	2,017,814.05	2,000,000.00	2,003,472.00	1.250	0.805	0.816	01/30/2018	760
3134G7Z20	36319	FHLMC NOTES	10/29/2015	15,000,000.00	15,000,000.00	14,915,370.00	1.250	1.232	1.250	10/29/2018	1,032
3134G7Z20	36320	FHLMC NOTES	10/29/2015	20,000,000.00	20,000,000.00	19,887,160.00	1.250	1.232	1.250	10/29/2018	1,032
3134G74S7	36393	FHLMC NOTES	11/27/2015	5,000,000.00	5,000,000.00	4,957,870.00	1.000	1.086	1.101	08/27/2018	969
3134G8AB5	36487	FHLMC NOTES	12/29/2015	10,465,000.00	10,465,000.00	10,455,947.78	1.200	1.183	1.200	06/29/2018	910
3134G8DY2	36488	FHLMC NOTES	12/29/2015	12,000,000.00	12,000,000.00	11,987,424.00	1.000	1.152	1.168	09/29/2017	637
3134G8FC8	36490	FHLMC NOTES	12/30/2015	5,000,000.00	5,000,000.00	5,000,235.00	2.100	2.071	2.100	12/30/2020	1,825

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Federal Agency Bonds - CALLABLE											
3135G0WY5	34258	FNMA NOTES	05/14/2013	39,996,025.00	40,000,000.00	39,949,000.00	0.550	0.553	0.561	11/14/2016	318
3135G0XC2	34358	FNMA NOTES	06/20/2013	49,929,203.15	50,000,000.00	49,855,150.00	0.500	0.713	0.723	08/22/2016	234
3135G0VX8	34398	FNMA NOTES	07/10/2013	49,878,847.32	50,000,000.00	49,985,050.00	0.625	0.946	0.960	09/26/2016	269
3135G0VX8	34414	FNMA NOTES	07/17/2013	49,900,426.11	50,000,000.00	49,985,050.00	0.625	0.887	0.900	09/26/2016	269
3135G0XA6	34464	FNMA NOTES	08/12/2013	10,362,842.76	10,500,000.00	10,433,566.50	1.030	1.578	1.600	05/21/2018	871
3135G0B77	35605	FNMA NOTES	01/30/2015	15,247,170.00	15,000,000.00	15,199,905.00	2.000	1.175	1.191	01/30/2018	760
3135G0C27	35645	FNMA NOTES	02/13/2015	9,999,252.38	10,000,000.00	9,980,470.00	1.350	1.334	1.352	08/13/2018	955
3136G2GD3	35845	FNMA NOTES	04/13/2015	29,977,166.67	30,000,000.00	29,943,150.00	1.050	1.069	1.083	04/13/2018	833
3136G2JB4	36003	FNMA NOTES	05/27/2015	7,500,000.00	7,500,000.00	7,510,680.00	1.200	1.183	1.200	08/27/2018	969
3136G2K71	36077	FNMA NOTES	06/24/2015	9,674,372.20	9,670,000.00	9,684,920.81	1.250	1.213	1.230	05/25/2018	875
3136G2KD8	36089	FNMA NOTES	06/26/2015	13,899,549.94	13,915,000.00	13,831,885.71	1.150	1.181	1.197	05/18/2018	868
3136G2KZ9	36093	FNMA NOTES	06/29/2015	5,298,898.29	5,300,000.00	5,306,980.10	1.200	1.191	1.208	06/29/2018	910
3135G0E41	36227	FNMA NOTES	09/16/2015	1,006,885.61	1,000,000.00	1,002,223.00	1.750	0.676	0.685	06/08/2018	889
3135G0F99	36305	FNMA NOTES	10/26/2015	25,231,429.40	25,000,000.00	25,093,575.00	1.625	1.271	1.289	10/26/2018	1,029
3136G2PP6	36321	FNMA NOTES	10/29/2015	12,999,387.31	13,000,000.00	12,943,190.00	1.070	1.057	1.071	10/29/2018	1,032
			Subtotal and Average	**763,949,832.29**	**764,010,000.00**	**762,242,025.62**		**1.061**	**1.076**		**697**
US Treasury Notes											
912828VG2	34755	U.S. TREASURY NOTES	12/18/2013	50,007,481.97	50,000,000.00	49,996,100.00	0.500	0.460	0.466	06/15/2016	166
912828VG2	34997	U.S. TREASURY NOTES	04/09/2014	50,000,000.00	50,000,000.00	49,996,100.00	0.500	0.493	0.499	06/15/2016	166
912828VL1	35045	U.S. TREASURY NOTES	04/24/2014	35,015,821.03	35,000,000.00	35,002,730.00	0.625	0.532	0.540	07/15/2016	196
912828VK3	35886	U.S. TREASURY NOTES	04/20/2015	25,286,639.09	25,000,000.00	25,098,625.00	1.375	0.895	0.907	06/30/2018	911
912828VQ0	35887	U.S. TREASURY NOTES	04/20/2015	15,168,626.75	15,000,000.00	15,057,420.00	1.375	0.918	0.931	07/31/2018	942
			Subtotal and Average	**175,478,568.84**	**175,000,000.00**	**175,150,975.00**		**0.586**	**0.595**		**346**
Corporate Bonds											
037833BB5	35970	APPLE INC	05/13/2015	2,998,586.41	3,000,000.00	2,990,724.00	0.900	0.922	0.934	05/12/2017	497
084664BX8	34456	BERKSHIRE HATHWY	08/15/2013	9,998,900.74	10,000,000.00	10,005,600.00	0.950	0.954	0.967	08/15/2016	227
166764AC4	34349	CHEVRON CORP.	06/24/2013	5,000,000.00	5,000,000.00	5,001,235.00	0.889	0.876	0.889	06/24/2016	175
166764AA8	35280	CHEVRON CORP.	08/19/2014	9,978,290.56	10,000,000.00	9,931,240.00	1.104	1.202	1.219	12/05/2017	704
166764AL4	35427	CHEVRON CORP.	11/18/2014	30,000,000.00	30,000,000.00	29,905,590.00	1.345	1.326	1.345	11/15/2017	684
166764AV2	35694	CHEVRON CORP.	03/03/2015	10,000,000.00	10,000,000.00	9,919,980.00	1.365	1.346	1.365	03/02/2018	791

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Corporate Bonds											
166764BC3	36355	CHEVRON CORP.	11/17/2015	10,000,000.00	10,000,000.00	9,977,620.00	1.344	1.340	1.359	11/09/2017	678
459200HZ7	35633	IBM	02/06/2015	9,978,678.24	10,000,000.00	9,933,040.00	1.125	1.212	1.228	02/06/2018	767
459200HK0	35644	IBM	02/13/2015	9,988,873.86	10,000,000.00	9,980,790.00	1.250	1.286	1.304	02/08/2018	769
478160BF0	34700	JOHNSON & JOHNSON	12/05/2013	29,988,937.47	30,000,000.00	29,946,870.00	0.700	0.730	0.741	11/28/2016	332
478160BL7	35435	JOHNSON & JOHNSON	11/21/2014	29,985,077.78	30,000,000.00	29,993,100.00	1.125	1.136	1.151	11/21/2017	690
594918BF0	36329	MICROSOFT CORP	11/03/2015	19,981,074.07	20,000,000.00	19,964,300.00	1.300	1.315	1.334	11/03/2018	1,037
90331HMF7	35627	U S BANK	02/04/2015	10,001,238.83	10,000,000.00	10,000,560.00	0.377	0.336	0.341	04/22/2016	112
931142DN0	35034	WALMART	04/22/2014	9,999,346.62	10,000,000.00	10,007,330.00	1.000	0.991	1.005	04/21/2017	476
931142DN0	35269	WALMART	08/13/2014	9,008,084.19	9,000,000.00	9,006,597.00	1.000	0.917	0.930	04/21/2017	476
931142DE0	34176	WALMART	04/11/2013	1,999,868.52	2,000,000.00	1,999,924.00	0.600	0.615	0.623	04/11/2016	101
931142DE0	34931	WALMART	03/18/2014	8,002,853.30	8,000,000.00	7,999,696.00	0.600	0.464	0.470	04/11/2016	101
30231GAA0	34942	EXXON MOBIL CORP	03/20/2014	10,000,000.00	10,000,000.00	9,988,480.00	0.921	0.908	0.921	03/15/2017	439
30231GAL6	35710	EXXON MOBIL CORP	03/06/2015	50,000,000.00	50,000,000.00	49,920,550.00	1.305	1.287	1.305	03/06/2018	795
			Subtotal and Average	**276,909,810.59**	**277,000,000.00**	**276,473,226.00**		**1.092**	**1.108**		**609**
Asset Backed Securities (ABS)											
09657YAD4	35060	BMW VEHICLE LEASE TRUST	04/29/2014	0.00	0.00	0.00	0.660	0.465	0.471	06/20/2016	171
05581QAD0	36274	BMW VEHICLE LEASE TRUST	10/14/2015	29,999,487.00	30,000,000.00	29,843,301.00	1.400	1.342	1.361	02/20/2019	1,146
09658UAB5	35376	BMW VEHICLE OWNER TRUST	10/15/2014	2,676,095.06	2,676,185.52	2,674,113.62	0.530	0.526	0.534	04/25/2017	480
161571FJ8	34436	CHASE ISSUANCE TRUST (ABS)	07/29/2013	0.00	0.00	0.00	0.790	0.622	0.631	06/15/2017	531
161571FJ8	35420	CHASE ISSUANCE TRUST (ABS)	11/13/2014	0.00	0.00	0.00	0.790	0.419	0.425	06/15/2017	531
161571GY4	35953	CHASE ISSUANCE TRUST (ABS)	05/06/2015	24,995,595.00	25,000,000.00	24,857,022.50	1.360	1.352	1.371	04/15/2020	1,566
43812XAB1	34430	HONDA AUTO RECEIVABLES OWNER T	07/24/2013	0.00	0.00	0.00	0.540	0.518	0.525	01/15/2016	14
43814JAB0	35457	HONDA AUTO RECEIVABLES OWNER T	11/26/2014	4,784,999.18	4,785,013.06	4,781,601.35	0.580	0.572	0.580	01/17/2017	382
43813NAC0	35986	HONDA AUTO RECEIVABLES OWNER T	05/20/2015	6,998,925.50	7,000,000.00	6,960,293.90	1.040	1.036	1.050	02/21/2019	1,147
477877AB0	35311	JOHN DEERE OWNER TRUST	09/03/2014	3,740,840.94	3,741,155.57	3,738,101.66	0.540	0.538	0.546	07/17/2017	563
47787UAB9	35725	JOHN DEERE OWNER TRUST	03/11/2015	12,042,516.35	12,043,291.94	12,027,415.27	0.870	0.863	0.875	02/15/2018	776
47787UAD5	35726	JOHN DEERE OWNER TRUST	03/11/2015	5,999,523.00	6,000,000.00	5,968,236.00	1.320	1.309	1.327	06/17/2019	1,263
47787WAC3	36216	JOHN DEERE OWNER TRUST	09/09/2015	5,748,903.48	5,750,000.00	5,722,497.18	1.440	1.552	1.573	10/15/2019	1,383
65473DAB8	36078	NISSAN AUTO LEASE TRUST	06/24/2015	2,945,770.11	2,946,040.56	2,941,587.91	0.990	0.985	0.999	11/15/2017	684
89231MAC9	34933	TOYOTA AUTO REC OWNER TRUST	03/19/2014	6,886,402.20	6,887,675.04	6,873,127.58	0.670	0.671	0.680	12/15/2017	714
89190AAB6	35375	TOYOTA AUTO REC OWNER TRUST	10/15/2014	1,607,444.56	1,607,542.78	1,606,851.54	0.510	0.508	0.515	02/15/2017	411

Fund COMM - COMMINGLED POOL
Investments by Fund
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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Asset Backed Securities (ABS)											
89236WAB4	35701	TOYOTA AUTO REC OWNER TRUST	03/04/2015	7,850,970.16	7,851,044.74	7,844,428.66	0.710	0.702	0.711	07/17/2017	563
89237CAB7	36060	TOYOTA AUTO REC OWNER TRUST	06/17/2015	9,999,326.00	10,000,000.00	9,988,409.00	0.770	0.766	0.776	11/15/2017	684
92867RAC3	35064	VOLKSWAGEN AUTO LOAN ENHANCED	04/30/2014	9,998,030.00	10,000,000.00	9,928,289.00	0.910	0.908	0.920	10/22/2018	1,025
92867RAB5	35065	VOLKSWAGEN AUTO LOAN ENHANCED	04/30/2014	2,162,728.49	2,162,766.99	2,161,606.88	0.420	0.415	0.421	03/20/2017	444
92867VAB6	35706	VOLKSWAGEN AUTO LOAN ENHANCED	03/05/2015	8,867,838.48	8,867,881.93	8,850,811.26	0.980	0.885	0.898	06/20/2017	536
			Subtotal and Average	**147,305,395.51**	**147,318,598.13**	**146,767,694.31**		**1.046**	**1.060**		**994**
Municipal Bonds											
13063BFQ0	32542	CALIFORNIA ST	04/23/2012	19,997,214.96	19,250,000.00	20,286,227.50	5.750	2.190	2.221	03/01/2017	425
13063CFD7	34625	CALIFORNIA ST	11/05/2013	12,516,345.26	12,500,000.00	12,538,625.00	1.250	1.075	1.090	11/01/2016	305
13063CFD7	34645	CALIFORNIA ST	11/12/2013	5,013,849.39	5,000,000.00	5,015,450.00	1.250	0.899	0.912	11/01/2016	305
13063CFC9	34650	CALIFORNIA ST	11/13/2013	10,042,705.88	10,000,000.00	10,077,300.00	1.750	1.488	1.508	11/01/2017	670
13063CFC9	34729	CALIFORNIA ST	12/11/2013	9,092,666.44	9,085,000.00	9,155,227.05	1.750	1.678	1.701	11/01/2017	670
13063CPM6	35444	CALIFORNIA ST	11/25/2014	15,011,896.55	15,000,000.00	14,985,300.00	0.750	0.645	0.654	11/01/2016	305
13063CPN4	35534	CALIFORNIA ST	12/22/2014	12,449,281.31	12,450,000.00	12,434,811.00	1.250	1.236	1.253	11/01/2017	670
13063CSQ4	36313	CALIFORNIA ST	10/27/2015	10,280,427.51	10,220,000.00	10,123,727.60	1.800	1.632	1.655	04/01/2020	1,552
13063CXU9	36390	CALIFORNIA ST	11/25/2015	5,000,000.00	5,000,000.00	4,989,750.00	1.000	0.989	1.002	11/01/2017	670
91412GWV3	35763	UNIVERSITY CALIFORNIA REVS	03/25/2015	250,000.00	250,000.00	251,725.00	2.003	1.975	2.002	05/15/2019	1,230
			Subtotal and Average	**99,654,387.30**	**98,755,000.00**	**99,858,143.15**		**1.398**	**1.417**		**594**
Commercial Paper, Discount Notes											
89299GFM3	36366	TOYOTA MOTOR CREDIT	11/19/2015	39,878,106.62	40,000,000.00	39,878,106.62		0.650	0.659	06/21/2016	172
89233GGU4	36397	TOYOTA MOTOR CREDIT	11/30/2015	34,855,098.38	35,000,000.00	34,855,098.38	0.710	0.724	0.734	07/28/2016	209
			Subtotal and Average	**74,733,205.00**	**75,000,000.00**	**74,733,205.00**		**0.685**	**0.695**		**189**
Federal Agency, Discount Notes											
31315KP61	36360	FARMER MAC	11/18/2015	34,811,414.27	35,000,000.00	34,806,135.00	0.610	0.621	0.629	11/15/2016	319
313312XF2	36103	FFCB DISCOUNT NOTE	06/30/2015	19,973,105.26	20,000,000.00	19,967,100.00	0.335	0.340	0.345	05/24/2016	144
313312G20	36457	FFCB DISCOUNT NOTE	12/16/2015	24,874,742.05	25,000,000.00	24,890,675.00	0.700	0.712	0.722	09/16/2016	259
313384RV3	36431	FHLB DISCOUNT NOTE	12/10/2015	24,997,542.13	25,000,000.00	24,998,850.00	0.255	0.258	0.262	01/15/2016	14
313384SK6	36456	FHLB DISCOUNT NOTE	12/16/2015	34,993,387.67	35,000,000.00	34,996,360.00	0.245	0.248	0.251	01/29/2016	28
313384YV5	36205	FHLB NOTES	08/31/2015	14,970,327.91	15,000,000.00	14,956,740.00	0.390	0.396	0.401	07/01/2016	182

Fund COMM - COMMINGLED POOL
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CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency, Discount Notes											
313384RJ0	36403	FHLB NOTES	12/02/2015	34,999,566.17	35,000,000.00	35,000,000.00	0.150	0.152	0.154	01/04/2016	3
313384RL5	36406	FHLB NOTES	12/03/2015	34,999,228.77	35,000,000.00	34,999,720.00	0.160	0.162	0.164	01/06/2016	5
313384SF7	36421	FHLB NOTES	12/09/2015	49,989,755.91	50,000,000.00	49,995,600.00	0.310	0.314	0.318	01/25/2016	24
313384UY3	36463	FHLB NOTES	12/17/2015	24,971,502.93	25,000,000.00	24,982,075.00	0.460	0.467	0.473	03/30/2016	89
313384TS8	36482	FHLB NOTES	12/28/2015	23,316,387.51	23,327,000.00	23,317,925.80	0.280	0.284	0.287	02/29/2016	59
313384SG5	36417	FHLB DISCOUNT	12/08/2015	49,990,361.13	50,000,000.00	49,995,400.00	0.280	0.283	0.287	01/26/2016	25
313384SG5	36418	FHLB DISCOUNT	12/08/2015	49,990,361.13	50,000,000.00	49,995,400.00	0.280	0.283	0.287	01/26/2016	25
313384RS0	36430	FHLB DISCOUNT	12/10/2015	29,997,773.44	30,000,000.00	29,999,010.00	0.245	0.248	0.251	01/12/2016	11
313384RS0	36434	FHLB DISCOUNT	12/11/2015	24,998,258.10	25,000,000.00	24,999,175.00	0.230	0.233	0.236	01/12/2016	11
313384TP4	36478	FHLB DISCOUNT	12/23/2015	24,988,819.03	25,000,000.00	24,990,800.00	0.290	0.294	0.298	02/26/2016	56
313396WJ8	36459	FHLMC DISCOUNT NOTE	12/16/2015	24,957,182.50	25,000,000.00	24,965,000.00	0.500	0.507	0.514	05/03/2016	123
313396SB0	36423	FHLMC DISCOUNT NOTE	12/09/2015	5,999,504.19	6,000,000.00	5,999,574.00	0.150	0.152	0.154	01/21/2016	20
313396RM7	36427	FHLMC DISCOUNT NOTE	12/09/2015	10,001,752.06	10,002,000.00	10,001,869.97	0.150	0.152	0.154	01/07/2016	6
313396WE9	36435	FHLMC DISCOUNT NOTE	12/11/2015	29,949,570.82	30,000,000.00	29,966,160.00	0.510	0.518	0.525	04/29/2016	119
313396ZY2	36493	FHLMC DISCOUNT NOTE	12/31/2015	39,883,749.19	40,000,000.00	39,867,240.00	0.500	0.508	0.515	07/28/2016	209
313588WZ4	36362	FNMA NOTES	11/18/2015	29,958,477.10	30,000,000.00	29,952,750.00	0.360	0.365	0.370	05/18/2016	138
313396VH3	36446	FREDDIE MAC DISCOUNT NOTE	12/15/2015	34,957,255.55	35,000,000.00	34,967,660.00	0.450	0.456	0.463	04/08/2016	98
31315KH45	36450	FARMER MAC DISCOUNT NOTE	12/15/2015	9,948,689.46	10,000,000.00	9,954,560.00	0.690	0.702	0.712	09/26/2016	269
31315KH86	36460	FARMER MAC DISCOUNT NOTE	12/16/2015	9,947,920.98	10,000,000.00	9,953,870.00	0.690	0.702	0.712	09/30/2016	273
			Subtotal and Average	**698,466,635.26**	**699,329,000.00**	**698,519,649.77**		**0.362**	**0.367**		**88**
Commercial Paper-Coupon											
SYS36491	36491	U S BANK	12/31/2015	150,000,000.00	150,000,000.00	150,000,000.00	0.200	0.199	0.202	01/04/2016	3
			Subtotal and Average	**150,000,000.00**	**150,000,000.00**	**150,000,000.00**		**0.199**	**0.202**		**3**
Local Agency Investment Fund											
SYS8506	8506	LOCAL AGENCY INVEST FUND	07/01/2015	40,032,215.82	40,032,215.82	40,032,215.82	0.320	0.315	0.320		1
			Subtotal and Average	**40,032,215.82**	**40,032,215.82**	**40,032,215.82**		**0.316**	**0.320**		**1**
Money Market											
SYS36105	36105	BLACKROCK	06/30/2015	265,043,420.21	265,043,420.21	265,043,420.21	0.330	0.325	0.330		1
SYS23519	23519	DREYFUS CASH MANAGEMENT	02/01/2008	268,414,456.69	268,414,456.69	268,414,456.69	0.220	0.216	0.220		1

Fund COMM - COMMINGLED POOL
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Money Market											
SYS34291	34291	MORGAN STANLEY GOVT INSTL 8302	05/21/2013	255,023,983.03	255,023,983.03	255,023,983.03	0.160	0.157	0.160		1
SYS34292	34292	MORGAN STANLEY TRSY INSTL 8304	05/21/2013	102.75	102.75	102.75	0.030	0.029	0.030		1
		Subtotal and Average		**788,481,962.68**	**788,481,962.68**	**788,481,962.68**		**0.234**	**0.238**		**1**
Supranationals											
45905URF3	35802	INTL BANK RECON & DEVELOP	04/06/2015	12,522,856.27	12,500,000.00	12,479,650.00	0.900	0.769	0.780	07/17/2017	563
459058EJ8	35936	INTL BANK RECON & DEVELOP	04/30/2015	14,979,844.80	15,000,000.00	14,875,170.00	1.000	1.034	1.048	06/15/2018	896
459058EJ8	35937	INTL BANK RECON & DEVELOP	04/30/2015	9,986,563.20	10,000,000.00	9,916,780.00	1.000	1.041	1.055	06/15/2018	896
459058ER0	36258	INTL BANK RECON & DEVELOP	10/07/2015	14,976,487.01	15,000,000.00	14,829,915.00	1.000	1.043	1.057	10/05/2018	1,008
459058ER0	36259	INTL BANK RECON & DEVELOP	10/07/2015	24,960,811.69	25,000,000.00	24,716,525.00	1.000	1.043	1.057	10/05/2018	1,008
459058DN0	36352	INTL BANK RECON & DEVELOP	11/16/2015	20,092,516.67	20,000,000.00	20,077,280.00	1.375	1.149	1.165	04/10/2018	830
		Subtotal and Average		**97,519,079.64**	**97,500,000.00**	**96,895,320.00**		**1.029**	**1.043**		**885**
		Total Investments and Average		**6,543,388,499.46**	**6,538,385,776.63**	**6,533,597,201.24**		**0.713**	**0.723**		**401**

Fund WK - WORKERS COMP
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Federal Agency Bonds											
3137EADS5	34808	FHLMC NOTES	01/08/2014	4,504,360.08	4,500,000.00	4,503,325.50	0.875	0.739	0.750	10/14/2016	287
3135G0MZ3	34806	FNMA NOTES	01/08/2014	4,477,277.54	4,500,000.00	4,484,668.50	0.875	1.170	1.186	08/28/2017	605
3135G0WJ8	34807	FNMA NOTES	01/08/2014	4,528,651.16	4,600,000.00	4,556,879.60	0.875	1.527	1.548	05/21/2018	871
			Subtotal and Average	**13,510,288.78**	**13,600,000.00**	**13,544,873.60**		**1.147**	**1.163**		**588**
US Treasury Notes											
912828A59	34790	U.S. TREASURY NOTES	12/27/2013	4,492,756.00	4,500,000.00	4,492,971.00	0.625	0.784	0.795	12/15/2016	349
912828UE8	34791	U.S. TREASURY NOTES	12/27/2013	4,449,547.78	4,500,000.00	4,469,589.00	0.750	1.309	1.327	12/31/2017	730
912828A75	34792	U.S. TREASURY NOTES	12/31/2013	4,468,376.71	4,500,000.00	4,520,389.50	1.500	1.721	1.745	12/31/2018	1,095
			Subtotal and Average	**13,410,680.49**	**13,500,000.00**	**13,482,949.50**		**1.271**	**1.289**		**723**
Money Market											
SYS34789	34789	DREYFUS CASH MANAGEMENT	12/26/2013	449,415.24	449,415.24	449,415.24	0.040	0.039	0.040		1
			Subtotal and Average	**449,415.24**	**449,415.24**	**449,415.24**		**0.039**	**0.040**		**1**
			Total Investments and Average	**27,370,384.51**	**27,549,415.24**	**27,477,238.34**		**1.190**	**1.206**		**645**

Fund MVLA - MOUNTAIN VIEW-LOS ALTOS
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
797646QR0	32345	SAN FRANCISCO CITY & CNTY CA	03/08/2012	71,376.18	70,000.00	71,457.40	5.000	1.084	1.099	06/15/2016	166
93974CR36	32356	WASHINGTON ST	03/09/2012	75,263.29	75,000.00	75,271.50	5.000	0.710	0.720	02/01/2016	31
			Subtotal and Average	146,639.47	145,000.00	146,728.90		0.893	0.905		96
Money Market - Tax Exempt											
SYS33614	33614	BLACKROCK TAX FREE INST	09/25/2012	1,873,844.37	1,873,844.37	1,873,844.37	0.020	0.019	0.020		1
			Subtotal and Average	1,873,844.37	1,873,844.37	1,873,844.37		0.020	0.020		1
			Total Investments and Average	2,020,483.84	2,018,844.37	2,020,573.27		0.083	0.084		7

Fund PA - PALO ALTO UNIFIED
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
797646QR0	32346	SAN FRANCISCO CITY & CNTY CA	03/08/2012	137,654.06	135,000.00	137,810.70	5.000	1.084	1.099	06/15/2016	166
93974CR36	32357	WASHINGTON ST	03/09/2012	150,526.58	150,000.00	150,543.00	5.000	0.710	0.720	02/01/2016	31
			Subtotal and Average	**288,180.64**	**285,000.00**	**288,353.70**		**0.889**	**0.902**		**95**
Money Market - Tax Exempt											
SYS33612	33612	BLACKROCK TAX FREE INST	09/25/2012	313,884.32	313,884.32	313,884.32	0.020	0.019	0.020		1
			Subtotal and Average	**313,884.32**	**313,884.32**	**313,884.32**		**0.020**	**0.020**		**1**
			Total Investments and Average	**602,064.96**	**598,884.32**	**602,238.02**		**0.436**	**0.442**		**46**

Fund PCF - PARK CHARTER FUND
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
US Treasury Notes											
912828SM3	33529	U.S. TREASURY NOTES	09/13/2012	4,019,015.44	4,000,000.00	4,006,248.00	1.000	0.603	0.611	03/31/2017	455
912828KT6	33531	U.S. TREASURY NOTES	09/13/2012	7,033,464.95	7,000,000.00	7,033,362.00	2.375	0.413	0.418	03/31/2016	90
			Subtotal and Average	**11,052,480.39**	**11,000,000.00**	**11,039,610.00**		**0.482**	**0.489**		**222**
Money Market											
SYS33657	33657	DREYFUS CASH MANAGEMENT FUND	09/30/2012	318,275.66	318,275.66	318,275.66	0.040	0.039	0.040		1
			Subtotal and Average	**318,275.66**	**318,275.66**	**318,275.66**		**0.039**	**0.040**		**1**
			Total Investments and Average	**11,370,756.05**	**11,318,275.66**	**11,357,885.66**		**0.470**	**0.476**		**216**

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
011770Z56	35082	ALASKA ST	05/08/2014	225,780.82	200,000.00	226,776.00	5.000	1.252	1.270	08/01/2019	1,308
011770Z56	35083	ALASKA ST	05/08/2014	282,226.02	250,000.00	283,470.00	5.000	1.252	1.270	08/01/2019	1,308
041042UD2	34919	ARKANSAS ST	03/10/2014	538,316.39	500,000.00	535,680.00	5.000	0.562	0.570	10/01/2017	639
246381AZ0	34859	DELAWARE ST	01/30/2014	799,402.76	750,000.00	797,707.50	5.000	0.552	0.560	07/01/2017	547
246380B65	34872	DELAWARE ST	02/07/2014	108,865.57	100,000.00	108,833.00	5.000	0.818	0.830	03/01/2018	790
34153P3H9	34972	FLORIDA STATE BOARD EDUCATION	04/01/2014	391,765.44	350,000.00	395,339.00	5.000	1.351	1.370	06/01/2019	1,247
341150M31	35185	FLORIDA STATE BOARD EDUCATION	06/27/2014	1,219,256.49	1,065,000.00	1,238,200.95	5.000	1.588	1.610	07/01/2020	1,643
373384N28	34845	GEORGIA ST	01/22/2014	555,696.83	500,000.00	557,075.00	5.000	1.055	1.070	12/01/2018	1,065
373384YJ9	34915	GEORGIA ST	03/10/2014	396,938.46	350,000.00	396,945.50	5.000	1.035	1.050	07/01/2019	1,277
373384Q82	35212	GEORGIA ST	07/10/2014	508,517.44	485,000.00	507,979.30	5.000	0.483	0.490	02/01/2017	397
544525RT7	34702	LOS ANGELES CALIF DEPT WTR & P	12/05/2013	549,289.49	500,000.00	550,675.00	5.000	0.946	0.960	07/01/2018	912
544525RS9	34703	LOS ANGELES CALIF DEPT WTR & P	12/05/2013	532,517.57	500,000.00	531,805.00	5.000	0.602	0.610	07/01/2017	547
57582PK74	35081	MASSACHUSETTS ST	05/08/2014	592,277.31	530,000.00	593,727.20	5.000	1.242	1.260	04/01/2019	1,186
574193HF8	34837	MARYLAND ST	01/22/2014	530,588.65	500,000.00	529,440.00	4.500	0.582	0.590	08/01/2017	578
5741925H9	34869	MARYLAND ST	02/05/2014	229,347.80	205,000.00	230,112.50	5.000	1.114	1.130	03/01/2019	1,155
5741927Y0	34870	MARYLAND ST	02/05/2014	112,019.79	100,000.00	112,398.00	5.000	1.114	1.130	03/15/2019	1,169
574193JK5	35122	MARYLAND ST	06/02/2014	492,648.92	440,000.00	493,900.00	5.000	1.095	1.110	03/01/2019	1,155
574193KQ0	35289	MARYLAND ST	08/21/2014	774,420.30	700,000.00	771,792.00	5.000	0.798	0.810	08/01/2018	943
59266THW4	33072	METROPOLITAN WATER DISTRICT	06/28/2012	510,680.69	500,000.00	511,355.00	5.000	0.724	0.734	07/01/2016	182
604129P91	34860	MINNESOTA ST	01/30/2014	1,105,725.64	1,000,000.00	1,107,970.00	5.000	1.035	1.050	10/01/2018	1,004
6041294D5	35288	MINNESOTA ST	08/21/2014	231,263.64	200,000.00	233,112.00	5.000	1.410	1.430	08/01/2020	1,674
658256T77	34874	NORTH CAROLINA ST	02/07/2014	858,710.88	785,000.00	858,892.05	5.000	0.877	0.890	05/01/2018	851
658256B43	34900	NORTH CAROLINA ST	03/03/2014	128,977.68	115,000.00	129,125.45	5.000	1.035	1.050	03/01/2019	1,155
658256T93	35131	NORTH CAROLINA ST	06/05/2014	419,125.14	365,000.00	423,206.55	5.000	1.400	1.420	05/01/2020	1,582
644682F27	34961	NEW HAMPSHIRE ST	03/27/2014	920,681.07	840,000.00	922,513.20	5.000	1.045	1.060	07/01/2018	912
649791BE9	35132	NEW YORK ST POWER AUTH	06/05/2014	154,284.77	150,000.00	154,093.50	3.000	0.523	0.530	03/01/2017	425
6775213U8	34836	OHIO ST	01/22/2014	782,592.29	750,000.00	783,825.00	3.000	0.936	0.949	03/01/2018	790
6775213T1	34841	OHIO ST	01/22/2014	254,038.61	250,000.00	253,897.50	2.000	0.592	0.600	03/01/2017	425
68608UMS2	32420	OREGON ST	04/04/2012	515,982.70	500,000.00	518,500.00	5.000	1.045	1.060	11/01/2016	305
79771TJS7	34839	SAN FRANCISCO CITY & CNTY CA	01/23/2014	109,611.68	100,000.00	109,905.00	5.000	0.976	0.990	06/15/2018	896
797646XK7	34852	SAN FRANCISCO CITY & CNTY CA	01/28/2014	478,836.58	450,000.00	477,909.00	5.000	0.564	0.572	06/15/2017	531
797646XL5	34853	SAN FRANCISCO CITY & CNTY CA	01/28/2014	494,201.96	450,000.00	495,144.00	5.000	0.925	0.938	06/15/2018	896

Fund SJE - SAN JOSE- EVERGREEN
Investments by Fund
December 31, 2015

CUSIP	Investment #	Issuer	Purchase Date	Book Value	Par Value	Market Value	Current Rate	YTM 360	YTM 365	Maturity Date	Days To Maturity
Municipal Bonds											
882722D99	35100	TEXAS STATE REFUNDING	05/20/2014	182,811.32	170,000.00	182,345.40	5.000	0.631	0.640	10/01/2017	639
924258ZN9	34946	VERMONT ST	03/21/2014	112,978.29	100,000.00	113,757.00	5.000	1.262	1.280	08/15/2019	1,322
93974CR36	32358	WASHINGTON ST	03/09/2012	777,720.68	775,000.00	777,805.50	5.000	0.710	0.720	02/01/2016	31
93974CJH4	34840	WASHINGTON ST	01/23/2014	270,255.71	250,000.00	270,132.50	5.000	0.858	0.870	01/01/2018	731
97705L3U9	34867	WISCONSIN STATE	02/04/2014	528,861.70	500,000.00	528,115.00	5.000	0.612	0.620	05/01/2017	486
97705L4E4	34880	WISCONSIN STATE	02/13/2014	279,980.83	250,000.00	281,342.50	5.000	1.198	1.214	05/01/2019	1,216
97705L4E4	34881	WISCONSIN STATE	02/13/2014	112,099.04	100,000.00	112,537.00	5.000	1.169	1.185	05/01/2019	1,216
			Subtotal and Average	**18,069,296.95**	**16,625,000.00**	**18,107,339.10**		**0.944**	**0.957**		**872**
Money Market - Tax Exempt											
SYS33615	33615	BLACKROCK TAX FREE INST	09/25/2012	1,757,110.33	1,757,110.33	1,757,110.33	0.020	0.019	0.020		1
			Subtotal and Average	**1,757,110.33**	**1,757,110.33**	**1,757,110.33**		**0.020**	**0.020**		**1**
			Total Investments and Average	**19,826,407.28**	**18,382,110.33**	**19,864,449.43**		**0.862**	**0.874**		**794**

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
October 1, 2015 - December 31, 2015
Sorted by Transaction Date - Transaction Date
COMMINGLED POOL Fund

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36251	COMM	9033E1X25	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36250	COMM	SYS36250	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36249	COMM	9033E1X17	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Redemption		MORGAN STANLEY		75,000,000.00		75,000,000.00
35799	COMM	3133EEWG1	FEDERAL FARM CR	Interest	INCAPITAL LLC	FFCB NOTES			64,675.00	64,675.00
		Totals for 10/01/2015					**199,999,722.22**	**175,000,000.00**	**64,675.00**	**-24,935,047.22**
36253	COMM	9033E1X58	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,166.66			-99,999,166.66
36252	COMM	SYS36252	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36250	COMM	SYS36250	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
36251	COMM	9033E1X25	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35873	COMM	3137EADM8	FEDERAL HOME LN	Interest	Daiwa Capital Market	FHLMC NOTES			187,500.00	187,500.00
35873	COMM	3137EADM8	FEDERAL HOME LN	Accr Int	Daiwa Capital Market	FHLMC NOTES		14,583.33	-14,583.33	0.00
36250	COMM	SYS36250	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67
34291	COMM	SYS34291	MSGI 0.%	Interest		MORGAN STANLEY			3,425.55	3,425.55
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	3,425.55			-3,425.55
36105	COMM	SYS36105	BLACKR 0.04%	Interest		BLACKROCK			2,928.69	2,928.69
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	2,928.69			-2,928.69
		Totals for 10/02/2015					**200,005,520.90**	**200,014,583.33**	**179,437.58**	**188,500.01**
36255	COMM	9033E1X66	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36254	COMM	SYS36254	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36252	COMM	SYS36252	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
36253	COMM	9033E1X58	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Redemption		MORGAN STANLEY		125,000,000.00		125,000,000.00
36105	COMM	SYS36105	BLACKR 0.04%	Redemption		BLACKROCK		75,000,000.00		75,000,000.00
36252	COMM	SYS36252	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			583.33	583.33
34291	COMM	SYS34291	MSGI 0.%	Interest		MORGAN STANLEY			3,534.95	3,534.95
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	3,534.95			-3,534.95
34292	COMM	SYS34292	MSTI 0.%	Interest		MORGAN STANLEY			102.75	102.75
34292	COMM	SYS34292	MSTI 0.%	Purchase		MORGAN STANLEY	102.75			-102.75
		Totals for 10/05/2015					**200,003,359.92**	**400,000,000.00**	**4,221.03**	**200,000,861.11**
36257	COMM	9033E1X74	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36256	COMM	SYS36256	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36254	COMM	SYS36254	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36255	COMM	9033E1X66	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36254	COMM	SYS36254	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.67	166.67
		Totals for 10/06/2015					**399,999,722.22**	**200,000,000.00**	**166.67**	**-199,999,555.55**
36258	COMM	459058ER0	IBRD 1.% MAT	Purchase	Daiwa Capital Market	INTL BANK RECON &	14,974,500.00			-14,974,500.00
36259	COMM	459058ER0	IBRD 1.% MAT	Purchase	MERRILL LYNCH	INTL BANK RECON &	24,957,500.00			-24,957,500.00
36262	COMM	9033E1X82	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36260	COMM	SYS36260	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
36256	COMM	SYS36256	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36257	COMM	9033E1X74	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36256	COMM	SYS36256	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.00	500.00
		Totals for 10/07/2015					**389,931,722.22**	**400,000,000.00**	**500.00**	**10,068,777.78**
36264	COMM	9033E1X90	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36263	COMM	SYS36263	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
36260	COMM	SYS36260	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
36262	COMM	9033E1X82	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36260	COMM	SYS36260	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.67	416.67
		Totals for 10/08/2015					**349,999,722.22**	**350,000,000.00**	**416.67**	**694.45**
36267	COMM	3130A6LZ8	FEDERAL HOME	Purchase	WELLS FARGO	FHLB NOTES	10,976,130.00			-10,976,130.00
36266	COMM	9033E1XD1	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,998,888.88			-99,998,888.88
36270	COMM	SYS36270	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,922,256.71			-200,922,256.71
35825	COMM	3130A4NY4	FEDERAL HOME	Redemption	INCAPITAL LLC	FHLB NOTES		7,500,000.00		7,500,000.00
36263	COMM	SYS36263	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
36264	COMM	9033E1X90	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35825	COMM	3130A4NY4	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			52,500.00	52,500.00
36263	COMM	SYS36263	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.67	416.67
		Totals for 10/09/2015					**311,897,275.59**	**357,500,000.00**	**52,916.67**	**45,655,641.08**
34176	COMM	931142DE0	WAL-MART STORES	Interest	MORGAN STANLEY	WALMART			6,000.00	6,000.00
34931	COMM	931142DE0	WAL-MART STORES	Interest	JEFFERIES & CO,	WALMART			24,000.00	24,000.00
		Totals for 10/11/2015							**30,000.00**	**30,000.00**
36269	COMM	9033E1XE9	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36268	COMM	SYS36268	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
36266	COMM	9033E1XD1	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36270	COMM	SYS36270	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,922,256.71		200,922,256.71
35643	COMM	78009NTJ5	RBC 0.2917% MAT	Interest	RBC CAPITAL	ROYAL BANK OF			3,943.40	3,943.40
35844	COMM	3130A4QS4	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			31,250.00	31,250.00
35845	COMM	3136G2GD3	FEDERAL NATL MTG	Interest	BARCLAYS CAPITAL	FNMA NOTES			157,500.00	157,500.00
35846	COMM	3130A4RJ3	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			63,600.00	63,600.00
36270	COMM	SYS36270	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,562.73	1,562.73

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
		Totals for 10/13/2015					**299,999,722.22**	**300,922,256.71**	**257,856.13**	**1,180,390.62**
36274	COMM	05581QAD0	BMWLT 1.4% MAT	Purchase	CREDIT SUISSE	BMW VEHICLE	29,999,487.00			-29,999,487.00
36273	COMM	9033E1XF6	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36272	COMM	SYS36272	USTN 0.1% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35455	COMM	3133EDXG2	FEDERAL FARM CR	Redemption	CITIGROUP GLOBAL	FFCB NOTES		10,009,375.00		10,009,375.00
35455	COMM	3133EDXG2	FEDERAL FARM CR	Cap G/L	CITIGROUP GLOBAL	FFCB NOTES		-9,375.00		-9,375.00
35467	COMM	3133EDXG2	FEDERAL FARM CR	Redemption	CITIGROUP GLOBAL	FFCB NOTES		8,012,500.00		8,012,500.00
35467	COMM	3133EDXG2	FEDERAL FARM CR	Cap G/L	CITIGROUP GLOBAL	FFCB NOTES		-12,500.00		-12,500.00
36268	COMM	SYS36268	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36269	COMM	9033E1XE9	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Redemption		MORGAN STANLEY		20,000,000.00		20,000,000.00
34543	COMM	3137EADS5	FEDERAL HOME LN	Interest	BARCLAYS CAPITAL	FHLMC NOTES			43,750.00	43,750.00
35398	COMM	3130A3CE2	FEDERAL HOME	Interest	MERRILL LYNCH	FHLB NOTES			62,500.00	62,500.00
35402	COMM	3130A3CE2	FEDERAL HOME	Interest	Daiwa Capital Market	FHLB NOTES			31,250.00	31,250.00
35407	COMM	3130A3CE2	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			31,250.00	31,250.00
35408	COMM	3130A3CE2	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			46,875.00	46,875.00
35455	COMM	3133EDXG2	FEDERAL FARM CR	Interest	CITIGROUP GLOBAL	FFCB NOTES			33,500.00	33,500.00
35466	COMM	3130A3M35	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			26,000.00	26,000.00
35467	COMM	3133EDXG2	FEDERAL FARM CR	Interest	CITIGROUP GLOBAL	FFCB NOTES			26,800.00	26,800.00
36268	COMM	SYS36268	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			388.89	388.89
		Totals for 10/14/2015					**329,999,209.22**	**338,000,000.00**	**302,313.89**	**8,303,104.67**
36277	COMM	9033E1XG4	USB DISC NOTE	Purchase	DEUTSCHE BANK	U S BANK	99,999,722.22			-99,999,722.22
36276	COMM	SYS36276	USTN 0.11% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
8506	COMM	SYS8506	LAIF 1.65%	Purchase		LOCAL AGENCY	32,215.82			-32,215.82
33757	COMM	161571FR0	CHAIT 0.54% MAT	Redemption	JPMorganChase	CHASE ISSUANCE		15,000,000.00		15,000,000.00
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ		145,902.47		145,902.47
35023	COMM	912828TT7	UNITED STATES	Redemption	BARCLAYS CAPITAL	U.S. TREASURY		25,000,000.00		25,000,000.00
35031	COMM	3130A1NW4	FEDERAL HOME	Redemption	BNP PARIBAS	FHLB NOTES		30,000,000.00		30,000,000.00
35418	COMM	161571FR0	CHAIT 0.54% MAT	Redemption	MORGAN STANLEY	CHASE ISSUANCE		15,000,000.00		15,000,000.00
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN		6,824,528.91		6,824,528.91
36272	COMM	SYS36272	USTN 0.1% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36273	COMM	9033E1XF6	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
33757	COMM	161571FR0	CHAIT 0.54% MAT	Interest	JPMorganChase	CHASE ISSUANCE			6,750.00	6,750.00
35023	COMM	912828TT7	UNITED STATES	Interest	BARCLAYS CAPITAL	U.S. TREASURY			31,250.00	31,250.00
35031	COMM	3130A1NW4	FEDERAL HOME	Interest	BNP PARIBAS	FHLB NOTES			37,500.00	37,500.00
35418	COMM	161571FR0	CHAIT 0.54% MAT	Interest	MORGAN STANLEY	CHASE ISSUANCE			6,750.00	6,750.00
35866	COMM	3130A4PZ9	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			36,250.00	36,250.00
36272	COMM	SYS36272	USTN 0.1% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			555.56	555.56
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,466.66	4,466.66

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		318,929.80		318,929.80
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			197.52	197.52
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		496,235.08		496,235.08
34992	COMM	58768EAC3	MBALT 0.48% MAT	Interest	CITIGROUP GLOBAL	MERCEDES-BENZ			58.36	58.36
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ		3.88		3.88
34992	COMM	58768EAC3	MBALT 0.48% MAT	Interest	CITIGROUP GLOBAL	MERCEDES-BENZ				0.00
34992	COMM	58768EAC3	MBALT 0.48% MAT	Redemption	CITIGROUP GLOBAL	MERCEDES-BENZ				0.00
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			-16.40	-16.40
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC		212,773.23		212,773.23
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			578.99	578.99
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO		534,380.10		534,380.10
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			-39.96	-39.96
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		1,050,349.51		1,050,349.51
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			2,589.37	2,589.37
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE		593,944.83		593,944.83
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			1,318.78	1,318.78
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC		495,789.96		495,789.96
35423	COMM	02587UAB6	AME 0.59% MAT	Interest	MORGAN STANLEY	AMERICAN			3,353.17	3,353.17
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN		-4,528.91		-4,528.91
35423	COMM	02587UAB6	AME 0.59% MAT	Interest	MORGAN STANLEY	AMERICAN				0.00
35423	COMM	02587UAB6	AME 0.59% MAT	Redemption	MORGAN STANLEY	AMERICAN				0.00
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			4,014.67	4,014.67
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		1,232,888.12		1,232,888.12
35701	COMM	89236WAB4	TAOT 0.71% MAT	Interest	JPMorganChase	TOYOTA AUTO REC			5,620.84	5,620.84
35701	COMM	89236WAB4	TAOT 0.71% MAT	Redemption	JPMorganChase	TOYOTA AUTO REC		421,030.85		421,030.85
35725	COMM	47787UAB9	JDOT 0.87% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			9,425.00	9,425.00
35725	COMM	47787UAB9	JDOT 0.87% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		458,456.63		458,456.63
35726	COMM	47787UAD5	JDOT 1.32% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			6,600.00	6,600.00
35726	COMM	47787UAD5	JDOT 1.32% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		134,119.58		134,119.58
35953	COMM	161571GY4	CHAIT 1.36% MAT	Interest	JPMorganChase	CHASE ISSUANCE			28,333.33	28,333.33
35953	COMM	161571GY4	CHAIT 1.36% MAT	Redemption	JPMorganChase	CHASE ISSUANCE		461,262.53		461,262.53
36060	COMM	89237CAB7	TAOT 0.77% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			6,416.67	6,416.67
36060	COMM	89237CAB7	TAOT 0.77% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		387,949.14		387,949.14
36078	COMM	65473DAB8	NALT 0.99% MAT	Interest	BARCLAYS CAPITAL	NISSAN AUTO			2,475.00	2,475.00
36078	COMM	65473DAB8	NALT 0.99% MAT	Redemption	BARCLAYS CAPITAL	NISSAN AUTO		116,119.42		116,119.42
36216	COMM	47787WAC3	JDOT 1.44% MAT	Interest	ROYAL BANK OF	JOHN DEERE			8,280.00	8,280.00
36216	COMM	47787WAC3	JDOT 1.44% MAT	Redemption	ROYAL BANK OF	JOHN DEERE		114,919.40		114,919.40
8506	COMM	SYS8506	LAIF 1.65%	Interest		LOCAL AGENCY			32,215.82	32,215.82
		Totals for 10/15/2015					**300,031,938.04**	**398,995,054.53**	**234,943.38**	**99,198,059.87**

SANTA CLARA COUNTY INVESTMENTS
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Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36279	COMM	SYS36279	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,166.66			-99,999,166.66
36278	COMM	SYS36278	USTN 0.11% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
36276	COMM	SYS36276	USTN 0.11% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36277	COMM	9033E1XG4	USB DISC NOTE	Redemption	DEUTSCHE BANK	U S BANK		100,000,000.00		100,000,000.00
36276	COMM	SYS36276	USTN 0.11% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			611.11	611.11
		Totals for 10/16/2015					**299,999,166.66**	**300,000,000.00**	**611.11**	**1,444.45**
36129	COMM	3133XQSE3	FEDERAL HOME	Accr Int	BREAN CAPITAL LLC	FHLB NOTES		50,233.33	-50,233.33	0.00
		Totals for 10/18/2015						**50,233.33**	**-50,233.33**	**0.00**
36281	COMM	SYS36281	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36280	COMM	SYS36280	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
36278	COMM	SYS36278	USTN 0.11% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36279	COMM	SYS36279	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36129	COMM	3133XQSE3	FEDERAL HOME	Interest	BREAN CAPITAL LLC	FHLB NOTES			102,750.00	102,750.00
36278	COMM	SYS36278	USTN 0.11% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,833.33	1,833.33
		Totals for 10/19/2015					**299,999,722.22**	**300,000,000.00**	**104,583.33**	**104,861.11**
36284	COMM	SYS36284	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36285	COMM	SYS36285	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	250,000,000.00			-250,000,000.00
35884	COMM	3134G6NT6	FEDERAL HOME LN	Redemption	INCAPITAL LLC	FHLMC NOTES		25,000,000.00		25,000,000.00
35885	COMM	3134G6TQ6	FEDERAL HOME LN	Redemption	BARCLAYS CAPITAL	FHLMC NOTES		35,000,000.00		35,000,000.00
36280	COMM	SYS36280	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36281	COMM	SYS36281	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
34913	COMM	3135G0ZB2	FEDERAL NATL MTG	Interest	CITIGROUP GLOBAL	FNMA NOTES			37,500.00	37,500.00
35884	COMM	3134G6NT6	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			150,000.00	150,000.00
35885	COMM	3134G6TQ6	FEDERAL HOME LN	Interest	BARCLAYS CAPITAL	FHLMC NOTES			218,750.00	218,750.00
35905	COMM	3130A4YH9	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			55,000.00	55,000.00
35905	COMM	3130A4YH9	FEDERAL HOME	Accr Int	DEUTSCHE BANK	FHLB NOTES		916.67	-916.67	0.00
36280	COMM	SYS36280	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			388.89	388.89
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		289,142.32		289,142.32
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			2,728.06	2,728.06
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		1,799,638.36		1,799,638.36
35706	COMM	92867VAB6	VALET 0.98% MAT	Interest	BARCLAYS CAPITAL	VOLKSWAGEN			7,910.33	7,910.33
35706	COMM	92867VAB6	VALET 0.98% MAT	Redemption	BARCLAYS CAPITAL	VOLKSWAGEN		633,013.32		633,013.32
		Totals for 10/20/2015					**349,999,722.22**	**362,722,710.67**	**478,943.94**	**13,201,932.39**
36288	COMM	3130A5Z77	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	5,101,079.17			-5,101,079.17
36289	COMM	3130A5Z77	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	5,111,320.83			-5,111,320.83
36287	COMM	9033E1XN9	USB DISC NOTE	Purchase		U S BANK	99,999,722.22			-99,999,722.22
36286	COMM	912828D23	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36284	COMM	SYS36284	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36285	COMM	SYS36285	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		250,000,000.00		250,000,000.00
35034	COMM	931142DN0	WAL-MART STORES	Interest	CITIGROUP GLOBAL	WALMART			50,000.00	50,000.00
35269	COMM	931142DN0	WAL-MART STORES	Interest	JEFFERIES & CO,	WALMART			45,000.00	45,000.00
36285	COMM	SYS36285	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			486.11	486.11
35986	COMM	43813NAC0	HAROT 1.04% MAT	Interest	JPMorganChase	HONDA AUTO			6,066.67	6,066.67
35986	COMM	43813NAC0	HAROT 1.04% MAT	Redemption	JPMorganChase	HONDA AUTO		173,483.44		173,483.44
		Totals for 10/21/2015					410,212,122.22	350,173,483.44	101,552.78	-59,937,086.00
36297	COMM	SYS36297	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36295	COMM	SYS36295	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36286	COMM	912828D23	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36287	COMM	9033E1XN9	USB DISC NOTE	Redemption		U S BANK		100,000,000.00		100,000,000.00
36286	COMM	912828D23	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.01	500.01
		Totals for 10/22/2015					399,999,722.22	400,000,000.00	500.01	777.79
36298	COMM	3130A5Z77	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	5,110,287.50			-5,110,287.50
36314	COMM	SYS36314	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,166.66			-99,999,166.66
36301	COMM	SYS36301	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36295	COMM	SYS36295	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36297	COMM	SYS36297	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35627	COMM	90331HMF7	USB 0.3767% MAT	Interest	BARCLAYS CAPITAL	U S BANK			10,605.56	10,605.56
36295	COMM	SYS36295	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.02	500.02
35700	COMM	36164EAB1	GEET 0.89% MAT	Interest	MERRILL LYNCH	GE EQUIP			4,079.17	4,079.17
35700	COMM	36164EAB1	GEET 0.89% MAT	Redemption	MERRILL LYNCH	GE EQUIP		207,945.41		207,945.41
		Totals for 10/23/2015					405,109,454.16	400,207,945.41	15,184.75	-4,886,324.00
35422	COMM	931142CX9	WAL MART STORES	Redemption	MERRILL LYNCH	WALMART		5,490,000.00		5,490,000.00
35422	COMM	931142CX9	WAL MART STORES	Interest	MERRILL LYNCH	WALMART			41,175.00	41,175.00
35684	COMM	3130A4GJ5	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			112,500.00	112,500.00
35685	COMM	3130A4GJ5	FEDERAL HOME	Interest	MERRILL LYNCH	FHLB NOTES			67,500.00	67,500.00
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			2,346.69	2,346.69
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		880,529.41		880,529.41
		Totals for 10/25/2015						6,370,529.41	223,521.69	6,594,051.10
36308	COMM	3130A5Z77	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	10,190,800.00			-10,190,800.00
36310	COMM	3130A5Z77	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	5,097,300.00			-5,097,300.00
36309	COMM	3134G34W7	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	2,025,332.22			-2,025,332.22
36305	COMM	3135G0F99	FEDERAL NATL MTG	Purchase	JPMorganChase	FNMA NOTES	25,246,250.00			-25,246,250.00
36304	COMM	SYS36304	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36303	COMM	SYS36303	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
30108	COMM	31398A4M1	FNMA 1.625% MAT	Redemption	RESIDENTIAL	FNMA NOTES		25,000,000.00		25,000,000.00

SANTA CLARA COUNTY INVESTMENTS

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Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36301	COMM	SYS36301	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		**300,000,000.00**
36314	COMM	SYS36314	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		**100,000,000.00**
30108	COMM	31398A4M1	FNMA 1.625% MAT	Interest	RESIDENTIAL	FNMA NOTES			203,125.00	**203,125.00**
36267	COMM	3130A6LZ8	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			3,246.54	**3,246.54**
36301	COMM	SYS36301	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,749.99	**1,749.99**
		Totals for 10/26/2015					**442,559,404.44**	**425,000,000.00**	**208,121.53**	**-17,351,282.91**
36313	COMM	13063CSQ4	CALIFORNIA ST FOR	Purchase	WELLS FARGO	CALIFORNIA ST	10,296,241.20			**-10,296,241.20**
36312	COMM	SYS36312	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			**-99,999,722.22**
36311	COMM	SYS36311	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			**-300,000,000.00**
36303	COMM	SYS36303	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		**300,000,000.00**
36304	COMM	SYS36304	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		**100,000,000.00**
35911	COMM	3134G6TW3	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			57,500.00	**57,500.00**
35912	COMM	3134G6TW3	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			71,875.00	**71,875.00**
35913	COMM	3134G6TW3	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			86,250.00	**86,250.00**
35914	COMM	3130A4Y55	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			56,250.00	**56,250.00**
35915	COMM	3130A4Y55	FEDERAL HOME	Interest	BREAN CAPITAL LLC	FHLB NOTES			56,250.00	**56,250.00**
35916	COMM	3130A4Y55	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			112,500.00	**112,500.00**
36303	COMM	SYS36303	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			499.98	**499.98**
		Totals for 10/27/2015					**410,295,963.42**	**400,000,000.00**	**441,124.98**	**-9,854,838.44**
36316	COMM	SYS36316	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			**-99,999,722.22**
36315	COMM	SYS36315	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			**-300,000,000.00**
35403	COMM	3130A3BP8	FEDERAL HOME	Redemption	DEUTSCHE BANK	FHLB NOTES		40,102,000.00		**40,102,000.00**
35403	COMM	3130A3BP8	FEDERAL HOME	Cap G/L	DEUTSCHE BANK	FHLB NOTES		-102,000.00		**-102,000.00**
35545	COMM	3130A3BP8	FEDERAL HOME	Redemption	DEUTSCHE BANK	FHLB NOTES		19,445,000.00		**19,445,000.00**
35923	COMM	3134G6SN4	FEDERAL HOME LN	Redemption	INCAPITAL LLC	FHLMC NOTES		10,250,000.00		**10,250,000.00**
35924	COMM	3134G6UZ4	FEDERAL HOME LN	Redemption	BARCLAYS CAPITAL	FHLMC NOTES		20,005,000.00		**20,005,000.00**
35924	COMM	3134G6UZ4	FEDERAL HOME LN	Cap G/L	BARCLAYS CAPITAL	FHLMC NOTES		-5,000.00		**-5,000.00**
35925	COMM	3134G6VU4	FEDERAL HOME LN	Redemption	UBS FINANCE	FHLMC NOTES		25,000,000.00		**25,000,000.00**
36311	COMM	SYS36311	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		**300,000,000.00**
36312	COMM	SYS36312	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		**100,000,000.00**
35403	COMM	3130A3BP8	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			150,000.00	**150,000.00**
35545	COMM	3130A3BP8	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			72,918.75	**72,918.75**
35923	COMM	3134G6SN4	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			43,562.50	**43,562.50**
35924	COMM	3134G6UZ4	FEDERAL HOME LN	Interest	BARCLAYS CAPITAL	FHLMC NOTES			75,000.00	**75,000.00**
35925	COMM	3134G6VU4	FEDERAL HOME LN	Interest	UBS FINANCE	FHLMC NOTES			93,750.00	**93,750.00**
36311	COMM	SYS36311	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.68	**416.68**
		Totals for 10/28/2015					**399,999,722.22**	**514,695,000.00**	**435,647.93**	**115,130,925.71**
36323	COMM	3133EFKM8	FEDERAL FARM CR	Purchase	DEUTSCHE BANK	FFCB NOTES	14,975,662.50			**-14,975,662.50**
36319	COMM	3134G7Z20	FEDERAL HOME LN	Purchase	DEUTSCHE BANK	FHLMC NOTES	15,000,000.00			**-15,000,000.00**

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36320	COMM	3134G7Z20	FEDERAL HOME LN	Purchase	BARCLAYS CAPITAL	FHLMC NOTES	20,000,000.00			-20,000,000.00
36322	COMM	3137EADM8	FEDERAL HOME LN	Purchase	KEYBANC CAPITAL	FHLMC NOTES	9,966,675.00			-9,966,675.00
36321	COMM	3136G2PP6	FEDERAL NATL MTG	Purchase	UBS FINANCE	FNMA NOTES	12,999,350.00			-12,999,350.00
36318	COMM	SYS36318	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36317	COMM	SYS36317	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36315	COMM	SYS36315	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36316	COMM	SYS36316	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35929	COMM	3130A4Z88	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			30,500.00	30,500.00
35930	COMM	3134G6UE1	FEDERAL HOME LN	Interest	UBS FINANCE	FHLMC NOTES			62,500.00	62,500.00
35931	COMM	3134G6UW1	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			42,945.00	42,945.00
35935	COMM	3130A4Z88	FEDERAL HOME	Interest	VINING SPARKS IBG	FHLB NOTES			30,500.00	30,500.00
36315	COMM	SYS36315	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			416.65	416.65
		Totals for 10/29/2015					**472,941,409.72**	**400,000,000.00**	**166,861.65**	**-72,774,548.07**
36324	COMM	SYS36324	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,500.00			-99,999,500.00
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	60,000,000.00			-60,000,000.00
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	60,000,000.00			-60,000,000.00
35063	COMM	3130A1P69	FEDERAL HOME	Redemption	BNP PARIBAS	FHLB NOTES		20,000,000.00		20,000,000.00
36317	COMM	SYS36317	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36318	COMM	SYS36318	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35063	COMM	3130A1P69	FEDERAL HOME	Interest	BNP PARIBAS	FHLB NOTES			23,000.00	23,000.00
36317	COMM	SYS36317	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			499.99	499.99
		Totals for 10/30/2015					**219,999,500.00**	**420,000,000.00**	**23,499.99**	**200,023,999.99**
30101	COMM	19416QDQ0	CP 1.375% MAT	Redemption	CITICORP	COLGATE-PALMOLI		15,000,000.00		15,000,000.00
30101	COMM	19416QDQ0	CP 1.375% MAT	Interest	CITICORP	COLGATE-PALMOLI			103,125.00	103,125.00
34625	COMM	13063CFD7	CAS 1.25% MAT	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			78,125.00	78,125.00
34645	COMM	13063CFD7	CAS 1.25% MAT	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			31,250.00	31,250.00
34650	COMM	13063CFC9	CITIF 1.75% MAT	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			87,500.00	87,500.00
34729	COMM	13063CFC9	CITIF 1.75% MAT	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			79,493.75	79,493.75
35444	COMM	13063CPM6	CALIFORNIA ST FOR	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			56,250.00	56,250.00
35534	COMM	13063CPN4	CALIFORNIA ST FOR	Interest	CITIGROUP GLOBAL	CALIFORNIA ST			77,812.50	77,812.50
35940	COMM	3133EEE71	FEDERAL FARM CR	Interest	RAYMOND JAMES &	FFCB NOTES			23,000.00	23,000.00
35941	COMM	3133EEE71	FEDERAL FARM CR	Interest	INCAPITAL LLC	FFCB NOTES			23,000.00	23,000.00
		Totals for 11/01/2015						**15,000,000.00**	**559,556.25**	**15,559,556.25**
36326	COMM	SYS36326	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36325	COMM	SYS36325	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36324	COMM	SYS36324	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36105	COMM	SYS36105	BLACKR 0.04%	Redemption		BLACKROCK		100,000,000.00		100,000,000.00
		Totals for 11/02/2015					**199,999,722.22**	**200,000,000.00**		**277.78**

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36329	COMM	594918BF0	MSFT 1.3% MAT	Purchase	JPMorganChase	MICROSOFT CORP	19,980,000.00			-19,980,000.00
36328	COMM	SYS36328	USB DISC NOTE	Purchase	U S BANK	U S BANK	99,999,722.22			-99,999,722.22
36327	COMM	SYS36327	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36325	COMM	SYS36325	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
36326	COMM	SYS36326	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36325	COMM	SYS36325	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			138.89	138.89
34291	COMM	SYS34291	MSGI 0.%	Interest		MORGAN STANLEY			2,088.28	2,088.28
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	2,088.28			-2,088.28
36105	COMM	SYS36105	BLACKR 0.04%	Interest		BLACKROCK			23,558.46	23,558.46
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	23,558.46			-23,558.46
		Totals for 11/03/2015					**220,005,368.96**	**200,000,000.00**	**25,785.63**	**-19,979,583.33**
36332	COMM	3137EADM8	FEDERAL HOME LN	Purchase	KEYBANC CAPITAL	FHLMC NOTES	18,213,129.39			-18,213,129.39
36331	COMM	SYS36331	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36330	COMM	SYS36330	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			-200,000,000.00
35048	COMM	3133EDGC0	FEDERAL FARM CR	Redemption	UBS FINANCE	FFCB NOTES		20,108,000.00		20,108,000.00
36327	COMM	SYS36327	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
36328	COMM	SYS36328	USB DISC NOTE	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35048	COMM	3133EDGC0	FEDERAL FARM CR	Interest	UBS FINANCE	FFCB NOTES			25,135.00	25,135.00
36327	COMM	SYS36327	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			166.66	166.66
		Totals for 11/04/2015					**318,213,129.39**	**220,108,000.00**	**25,301.66**	**-98,079,827.73**
36334	COMM	SYS36334	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36333	COMM	SYS36333	USTN 0.11% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
35006	COMM	3133EDET5	FEDERAL FARM CR	Redemption	JPMorganChase	FFCB NOTES		20,000,000.00		20,000,000.00
35021	COMM	3133EDET5	FEDERAL FARM CR	Redemption	JPMorganChase	FFCB NOTES		25,000,000.00		25,000,000.00
36330	COMM	SYS36330	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		200,000,000.00
36331	COMM	SYS36331	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35006	COMM	3133EDET5	FEDERAL FARM CR	Interest	JPMorganChase	FFCB NOTES			31,000.00	31,000.00
35021	COMM	3133EDET5	FEDERAL FARM CR	Interest	JPMorganChase	FFCB NOTES			38,750.00	38,750.00
36330	COMM	SYS36330	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			388.90	388.90
36331	COMM	SYS36331	USB 0.1% MAT	Interest	U S BANK	U S BANK			277.78	277.78
		Totals for 11/05/2015					**400,000,000.00**	**345,000,000.00**	**70,416.68**	**-54,929,583.32**
36337	COMM	3137EADM8	FEDERAL HOME LN	Purchase	KEYBANC CAPITAL	FHLMC NOTES	7,921,764.44			-7,921,764.44
36336	COMM	SYS36336	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36335	COMM	SYS36335	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36333	COMM	SYS36333	USTN 0.11% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36334	COMM	SYS36334	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36333	COMM	SYS36333	USTN 0.11% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			916.65	916.65
36334	COMM	SYS36334	USB 0.1% MAT	Interest	U S BANK	U S BANK			277.78	277.78

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
		Totals for 11/06/2015					**407,921,764.44**	**400,000,000.00**	**1,194.43**	**-7,920,570.01**
36340	COMM	3137EADM8	FEDERAL HOME LN	Purchase	KEYBANC CAPITAL	FHLMC NOTES	9,881,747.22			-9,881,747.22
36339	COMM	SYS36339	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36338	COMM	SYS36338	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
30190	COMM	36962G4T8	GE 2.25% MAT	Redemption	MORGAN STANLEY	GENERAL ELECTRIC		5,000,000.00		5,000,000.00
33735	COMM	3133EA7L6	FFCB 0.4% MAT	Redemption	JEFFERIES & CO,	FFCB NOTES		10,000,000.00		10,000,000.00
36335	COMM	SYS36335	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36336	COMM	SYS36336	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
30190	COMM	36962G4T8	GE 2.25% MAT	Interest	MORGAN STANLEY	GENERAL ELECTRIC			56,250.00	56,250.00
33735	COMM	3133EA7L6	FFCB 0.4% MAT	Interest	JEFFERIES & CO,	FFCB NOTES			20,000.00	20,000.00
36335	COMM	SYS36335	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,750.00	1,750.00
36336	COMM	SYS36336	USB 0.1% MAT	Interest	U S BANK	U S BANK			833.33	833.33
		Totals for 11/09/2015					**409,881,747.22**	**415,000,000.00**	**78,833.33**	**5,197,086.11**
36342	COMM	SYS36342	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36341	COMM	SYS36341	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36338	COMM	SYS36338	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36339	COMM	SYS36339	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36338	COMM	SYS36338	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			500.02	500.02
36339	COMM	SYS36339	USB 0.1% MAT	Interest	U S BANK	U S BANK			277.78	277.78
		Totals for 11/10/2015					**400,000,000.00**	**400,000,000.00**	**777.80**	**777.80**
35965	COMM	3133EEJ50	FEDERAL FARM CR	Interest	JPMorganChase	FFCB NOTES			25,750.00	25,750.00
		Totals for 11/11/2015							**25,750.00**	**25,750.00**
36344	COMM	SYS36344	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36343	COMM	SYS36343	USTN 0.08% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36341	COMM	SYS36341	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36342	COMM	SYS36342	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
35643	COMM	78009NTJ5	RBC 0.2917% MAT	Interest	RBC CAPITAL	ROYAL BANK OF			3,960.63	3,960.63
36341	COMM	SYS36341	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			999.97	999.97
36342	COMM	SYS36342	USB 0.1% MAT	Interest	U S BANK	U S BANK			555.56	555.56
		Totals for 11/12/2015					**400,000,000.00**	**400,000,000.00**	**5,516.16**	**5,516.16**
36347	COMM	3135G0A78	FEDERAL NATL MTG	Purchase	CITIGROUP GLOBAL	FNMA NOTES	10,031,155.56			-10,031,155.56
36346	COMM	SYS36346	USB 0.1% MAT	Purchase	U S BANK	U S BANK	100,000,000.00			-100,000,000.00
36345	COMM	SYS36345	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36343	COMM	SYS36343	USTN 0.08% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36344	COMM	SYS36344	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
34532	COMM	3137EADQ9	FEDERAL HOME LN	Interest	DEUTSCHE BANK	FHLMC NOTES			62,500.00	62,500.00
34723	COMM	3137EADQ9	FEDERAL HOME LN	Interest	DEUTSCHE BANK	FHLMC NOTES			125,000.00	125,000.00
34751	COMM	3137EADQ9	FEDERAL HOME LN	Interest	Daiwa Capital Market	FHLMC NOTES			111,000.00	111,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
34754	COMM	3137EADQ9	FEDERAL HOME LN	Interest	BNP PARIBAS	FHLMC NOTES			62,500.00	**62,500.00**
34971	COMM	3137EADQ9	FEDERAL HOME LN	Interest	RAYMOND JAMES &	FHLMC NOTES			50,000.00	**50,000.00**
35970	COMM	037833BB5	AAPL 0.9% MAT	Interest	MERRILL LYNCH	APPLE INC			13,500.00	**13,500.00**
36343	COMM	SYS36343	USTN 0.08% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			666.65	**666.65**
36344	COMM	SYS36344	USB 0.1% MAT	Interest	U S BANK	U S BANK			277.78	**277.78**
		Totals for 11/13/2015					**410,031,155.56**	**400,000,000.00**	**425,444.43**	**-9,605,711.13**
34258	COMM	3135G0WY5	FEDERAL NATL MTG	Interest	BNP PARIBAS	FNMA NOTES			110,000.00	**110,000.00**
		Totals for 11/14/2015							**110,000.00**	**110,000.00**
32277	COMM	3135G0ES8	FNMA 1.375% MAT	Interest	GLEACHER &	FNMA NOTES			137,500.00	**137,500.00**
33714	COMM	3135G0ES8	FNMA 1.375% MAT	Interest	DEUTSCHE BANK	FNMA NOTES			137,500.00	**137,500.00**
35427	COMM	166764AL4	CHEVRON CORP	Interest	MERRILL LYNCH	CHEVRON CORP.			201,750.00	**201,750.00**
35763	COMM	91412GWV3		Interest	MORGAN STANLEY	UNIVERSITY			3,199.24	**3,199.24**
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,562.55	**4,562.55**
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		518,813.93		**518,813.93**
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			24.78	**24.78**
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		7,466.68		**7,466.68**
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			10.62	**10.62**
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC				**0.00**
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			2,164.18	**2,164.18**
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO				**0.00**
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			52.45	**52.45**
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC				**0.00**
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			2,340.96	**2,340.96**
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE		818,429.30		**818,429.30**
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			1,106.98	**1,106.98**
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC		477,982.18		**477,982.18**
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			3,418.60	**3,418.60**
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		1,176,098.01		**1,176,098.01**
35701	COMM	89236WAB4	TAOT 0.71% MAT	Interest	JPMorganChase	TOYOTA AUTO REC			5,628.12	**5,628.12**
35701	COMM	89236WAB4	TAOT 0.71% MAT	Redemption	JPMorganChase	TOYOTA AUTO REC		765,858.48		**765,858.48**
35725	COMM	47787UAB9	JDOT 0.87% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			9,427.75	**9,427.75**
35725	COMM	47787UAB9	JDOT 0.87% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		42,693.18		**42,693.18**
35726	COMM	47787UAD5	JDOT 1.32% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			6,600.00	**6,600.00**
35726	COMM	47787UAD5	JDOT 1.32% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		138,007.37		**138,007.37**
35953	COMM	161571GY4	CHAIT 1.36% MAT	Interest	JPMorganChase	CHASE ISSUANCE			28,333.33	**28,333.33**
35953	COMM	161571GY4	CHAIT 1.36% MAT	Redemption	JPMorganChase	CHASE ISSUANCE		465,062.87		**465,062.87**
36060	COMM	89237CAB7	TAOT 0.77% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			6,416.67	**6,416.67**
36060	COMM	89237CAB7	TAOT 0.77% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		404,940.75		**404,940.75**
36078	COMM	65473DAB8	NALT 0.99% MAT	Interest	BARCLAYS CAPITAL	NISSAN AUTO			2,475.00	**2,475.00**

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36078	COMM	65473DAB8	NALT 0.99% MAT	Redemption	BARCLAYS CAPITAL	NISSAN AUTO		116,524.86		116,524.86
36216	COMM	47787WAC3	JDOT 1.44% MAT	Interest	ROYAL BANK OF	JOHN DEERE			6,900.00	6,900.00
36216	COMM	47787WAC3	JDOT 1.44% MAT	Redemption	ROYAL BANK OF	JOHN DEERE		118,305.36		118,305.36
		Totals for 11/15/2015						**5,050,182.97**	**559,411.23**	**5,609,594.20**
36352	COMM	459058DN0	IBRD 1.375% MAT	Purchase	DEUTSCHE BANK	INTL BANK RECON &	20,125,120.00			-20,125,120.00
36350	COMM	SYS36350	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36349	COMM	SYS36349	USTN 0.07% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		72,560.21		72,560.21
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC		31,112.01		31,112.01
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO		3,522,100.07		3,522,100.07
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		153,583.61		153,583.61
36345	COMM	SYS36345	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36346	COMM	SYS36346	USB 0.1% MAT	Redemption	U S BANK	U S BANK		100,000,000.00		100,000,000.00
36345	COMM	SYS36345	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,500.01	1,500.01
36346	COMM	SYS36346	USB 0.1% MAT	Interest	U S BANK	U S BANK			833.33	833.33
34934	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			0.83	0.83
34934	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		0.61		0.61
35040	COMM	89231MAB1	TAOT 0.41% MAT	Interest	MORGAN STANLEY	TOYOTA AUTO REC			0.35	0.35
35040	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	MORGAN STANLEY	TOYOTA AUTO REC		-14.15		-14.15
35087	COMM	43813XAD6	HAROT 0.74% MAT	Interest	CITIGROUP GLOBAL	HONDA AUTO			72.14	72.14
35087	COMM	43813XAD6	HAROT 0.74% MAT	Redemption	CITIGROUP GLOBAL	HONDA AUTO		-12,612.18		-12,612.18
35143	COMM	89231MAB1	TAOT 0.41% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			1.75	1.75
35143	COMM	89231MAB1	TAOT 0.41% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		-66.37		-66.37
		Totals for 11/16/2015					**470,125,120.00**	**403,766,663.81**	**2,408.41**	**-66,356,047.78**
36355	COMM	166764BC3	CHEVRON CORP	Purchase	JPMorganChase	CHEVRON CORP.	10,000,000.00			-10,000,000.00
36354	COMM	SYS36354	USB 0.1% MAT	Purchase	U S BANK	U S BANK	125,000,000.00			-125,000,000.00
36353	COMM	SYS36353	USTN 0.06% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36349	COMM	SYS36349	USTN 0.07% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36350	COMM	SYS36350	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36349	COMM	SYS36349	USTN 0.07% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			583.31	583.31
36350	COMM	SYS36350	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 11/17/2015					**485,000,000.00**	**450,000,000.00**	**999.98**	**-34,999,000.02**
36360	COMM	31315KP61	FAMCA ZERO CPN	Purchase	MIZUHO	FARMER MAC	34,784,720.83			-34,784,720.83
36361	COMM	3135G0A78	FEDERAL NATL MTG	Purchase	KEYBANC CAPITAL	FNMA NOTES	20,111,825.00			-20,111,825.00
36362	COMM	313588WZ4	FNMA DISC NOTE	Purchase	DEUTSCHE BANK	FNMA NOTES	29,945,400.00			-29,945,400.00
36358	COMM	90349TFM4	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36357	COMM	SYS36357	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36353	COMM	SYS36353	USTN 0.06% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36354	COMM	SYS36354	USB 0.1% MAT	Redemption	U S BANK	U S BANK		125,000,000.00		125,000,000.00

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Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36089	COMM	3136G2KD8	FNMA 1.15% MAT	Interest	DEUTSCHE BANK	FNMA NOTES			80,011.25	80,011.25
36089	COMM	3136G2KD8	FNMA 1.15% MAT	Accr Int	DEUTSCHE BANK	FNMA NOTES		16,891.26	-16,891.26	0.00
36353	COMM	SYS36353	USTN 0.06% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			583.35	583.35
36354	COMM	SYS36354	USB 0.1% MAT	Interest	U S BANK	U S BANK			347.23	347.23
		Totals for 11/18/2015					**584,841,945.83**	**475,016,891.26**	**64,050.57**	**-109,761,004.00**
36368	COMM	06427ELG4	BMOCHI 0.32% MAT	Purchase	BMO CAPITAL	BANK OF	40,000,000.00			-40,000,000.00
36370	COMM	3133EFPJ0	FEDERAL FARM CR	Purchase	WELLS FARGO	FFCB NOTES	14,998,200.00			-14,998,200.00
36366	COMM	89299GFM3	TOYO ZERO CPN	Purchase	TOYOTA MOTOR	TOYOTA MOTOR	39,847,111.11			-39,847,111.11
36364	COMM	90349TFQ5	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36363	COMM	SYS36363	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36357	COMM	SYS36357	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36358	COMM	90349TFM4	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36357	COMM	SYS36357	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			486.13	486.13
36358	COMM	90349TFM4	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 11/19/2015					**594,845,311.11**	**500,000,000.00**	**902.80**	**-94,844,408.31**
36376	COMM	3130A6SW8	FEDERAL HOME	Purchase	BARCLAYS CAPITAL	FHLB NOTES	20,000,000.00			-20,000,000.00
36377	COMM	3130A6SW8	FEDERAL HOME	Purchase	DEUTSCHE BANK	FHLB NOTES	20,000,000.00			-20,000,000.00
36378	COMM	3135G0WJ8	FEDERAL NATL MTG	Purchase	DEUTSCHE BANK	FNMA NOTES	14,956,810.42			-14,956,810.42
36375	COMM	90349TFS1	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36372	COMM	SYS36372	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36363	COMM	SYS36363	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36364	COMM	90349TFQ5	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36363	COMM	SYS36363	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			486.11	486.11
36364	COMM	90349TFQ5	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		289,297.15		289,297.15
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			2,104.17	2,104.17
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		2,135,713.50		2,135,713.50
35706	COMM	92867VAB6	VALET 0.98% MAT	Interest	BARCLAYS CAPITAL	VOLKSWAGEN			7,452.19	7,452.19
35706	COMM	92867VAB6	VALET 0.98% MAT	Redemption	BARCLAYS CAPITAL	VOLKSWAGEN		795,455.39		795,455.39
36274	COMM	05581QAD0	BMWLT 1.4% MAT	Interest	CREDIT SUISSE	BMW VEHICLE			42,000.00	42,000.00
36274	COMM	05581QAD0	BMWLT 1.4% MAT	Redemption	CREDIT SUISSE	BMW VEHICLE		737,943.12		737,943.12
		Totals for 11/20/2015					**554,956,810.42**	**503,958,409.16**	**60,042.47**	**-50,938,358.79**
34464	COMM	3135G0XA6	FEDERAL NATL MTG	Interest	UBS FINANCE	FNMA NOTES			54,075.00	54,075.00
35435	COMM	478160BL7	JOHNSON &	Interest	JPMorganChase	JOHNSON &			168,750.00	168,750.00
35762	COMM	3135G0WJ8	FEDERAL NATL MTG	Interest	MIZUHO	FNMA NOTES			65,625.00	65,625.00
36378	COMM	3135G0WJ8	FEDERAL NATL MTG	Interest	DEUTSCHE BANK	FNMA NOTES			65,625.00	65,625.00
36378	COMM	3135G0WJ8	FEDERAL NATL MTG	Accr Int	DEUTSCHE BANK	FNMA NOTES		65,260.42	-65,260.42	0.00
35986	COMM	43813NAC0	HAROT 1.04% MAT	Interest	JPMorganChase	HONDA AUTO			6,066.67	6,066.67

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35986	COMM	43813NAC0	HAROT 1.04% MAT	Redemption	JPMorganChase	HONDA AUTO		174,463.95		174,463.95
		Totals for 11/21/2015						**239,724.37**	**294,881.25**	**534,605.62**
34358	COMM	3135G0XC2	FEDERAL NATL MTG	Interest	CITIGROUP GLOBAL	FNMA NOTES			125,000.00	125,000.00
		Totals for 11/22/2015							**125,000.00**	**125,000.00**
36380	COMM	90349TFU6	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36379	COMM	SYS36379	USTN 0.04% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36372	COMM	SYS36372	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36375	COMM	90349TFS1	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36128	COMM	3136FPYB7	FNMA 2.05% MAT	Interest	KEYBANC CAPITAL	FNMA NOTES			47,344.75	47,344.75
36128	COMM	3136FPYB7	FNMA 2.05% MAT	Accr Int	KEYBANC CAPITAL	FNMA NOTES		13,940.40	-13,940.40	0.00
36372	COMM	SYS36372	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,458.36	1,458.36
36375	COMM	90349TFS1	USB 0.1% MAT	Interest	U S BANK	U S BANK			1,250.00	1,250.00
35700	COMM	36164EAB1	GEET 0.89% MAT	Interest	MERRILL LYNCH	GE EQUIP			4,100.25	4,100.25
35700	COMM	36164EAB1	GEET 0.89% MAT	Redemption	MERRILL LYNCH	GE EQUIP		196,104.70		196,104.70
		Totals for 11/23/2015					**500,000,000.00**	**500,210,045.10**	**40,212.96**	**250,258.06**
36383	COMM	3135G0A78	FEDERAL NATL MTG	Purchase	BARCLAYS CAPITAL	FNMA NOTES	10,042,220.83			-10,042,220.83
36384	COMM	3135G0A78	FEDERAL NATL MTG	Purchase	KEYBANC CAPITAL	FNMA NOTES	10,043,020.83			-10,043,020.83
36382	COMM	90349TFY8	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36381	COMM	SYS36381	USTN 0.05% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36386	COMM	94988EMB1	WELLS 0.62% MAT	Purchase	WELLS FARGO	WELLS FARGO	45,000,000.00			-45,000,000.00
36379	COMM	SYS36379	USTN 0.04% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36380	COMM	90349TFU6	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
35004	COMM	3130A1NN4	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			65,625.00	65,625.00
36379	COMM	SYS36379	USTN 0.04% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			388.91	388.91
36380	COMM	90349TFU6	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 11/24/2015					**565,085,241.66**	**500,000,000.00**	**66,430.58**	**-65,018,811.08**
36390	COMM	13063CXU9	CALIFORNIA ST FOR	Purchase	WELLS FARGO	CALIFORNIA ST	5,003,055.56			-5,003,055.56
36389	COMM	13606AJQ2	CIBC 0.1% MAT	Purchase	UBS FINANCE	CANADIAN IMP BK	45,000,000.00			-45,000,000.00
36388	COMM	90349TGF8	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36391	COMM	SYS36391	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
35458	COMM	3134G5RD9	FEDERAL HOME LN	Redemption	DEUTSCHE BANK	FHLMC NOTES		14,150,000.00		14,150,000.00
36191	COMM	3134G7PH8	FEDERAL HOME LN	Redemption	JEFFERIES & CO,	FHLMC NOTES		10,000,000.00		10,000,000.00
36192	COMM	3134G7PH8	FEDERAL HOME LN	Redemption	WELLS FARGO	FHLMC NOTES		10,450,000.00		10,450,000.00
36381	COMM	SYS36381	USTN 0.05% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36382	COMM	90349TFY8	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
35448	COMM	3133EECW8	FEDERAL FARM CR	Interest	WELLS FARGO	FFCB NOTES			18,750.00	18,750.00
35449	COMM	3133EECW8	FEDERAL FARM CR	Interest	RBC CAPITAL	FFCB NOTES			18,750.00	18,750.00
35458	COMM	3134G5RD9	FEDERAL HOME LN	Interest	DEUTSCHE BANK	FHLMC NOTES			45,987.50	45,987.50

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36008	COMM	3134G6L76	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			30,555.55	30,555.55
36077	COMM	3136G2K71	FEDERAL NATL MTG	Interest	JPMorganChase	FNMA NOTES			59,766.02	59,766.02
36077	COMM	3136G2K71	FEDERAL NATL MTG	Accr Int	JPMorganChase	FNMA NOTES		9,065.63	-9,065.63	0.00
36191	COMM	3134G7PH8	FEDERAL HOME LN	Interest	JEFFERIES & CO,	FHLMC NOTES			25,000.00	25,000.00
36192	COMM	3134G7PH8	FEDERAL HOME LN	Interest	WELLS FARGO	FHLMC NOTES			26,125.00	26,125.00
36381	COMM	SYS36381	USTN 0.05% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			486.13	486.13
36382	COMM	90349TFY8	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.55	416.55
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			1,957.47	1,957.47
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		871,615.99		871,615.99
		Totals for 11/25/2015					**550,003,055.56**	**535,480,681.62**	**218,728.59**	**-14,303,645.35**
36393	COMM	3134G74S7	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	5,000,000.00			-5,000,000.00
36392	COMM	90349TGJ0	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36388	COMM	90349TGF8	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36388	COMM	90349TGF8	USB 0.1% MAT	Interest	U S BANK	U S BANK			833.34	833.34
		Totals for 11/27/2015					**155,000,000.00**	**150,000,000.00**	**833.34**	**-4,999,166.66**
34700	COMM	478160BF0	JOHNSON &	Interest	JPMorganChase	JOHNSON &			105,000.00	105,000.00
		Totals for 11/28/2015							**105,000.00**	**105,000.00**
36396	COMM	3134G85H8	FEDERAL HOME LN	Purchase	DEUTSCHE BANK	FHLMC NOTES	29,290,210.30			-29,290,210.30
36397	COMM	89233GGU4	TOYO ZERO CPN	Purchase	TOYOTA MOTOR	TOYOTA MOTOR	34,833,643.06			-34,833,643.06
36395	COMM	90349TGK7	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36394	COMM	SYS36394	USTN 0.08% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			-100,000,000.00
36391	COMM	SYS36391	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36392	COMM	90349TGJ0	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36391	COMM	SYS36391	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			4,375.00	4,375.00
36392	COMM	90349TGJ0	USB 0.1% MAT	Interest	U S BANK	U S BANK			1,250.00	1,250.00
		Totals for 11/30/2015					**314,123,853.36**	**500,000,000.00**	**5,625.00**	**185,881,771.64**
36399	COMM	90349TGN1	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36398	COMM	SYS36398	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36394	COMM	SYS36394	USTN 0.08% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		100,000,000.00
36395	COMM	90349TGK7	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Redemption		MORGAN STANLEY		50,000,000.00		50,000,000.00
36394	COMM	SYS36394	USTN 0.08% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			222.22	222.22
36395	COMM	90349TGK7	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/01/2015					**450,000,000.00**	**300,000,000.00**	**638.89**	**-149,999,361.11**
36402	COMM	313379EE5	FEDERAL HOME	Purchase	INCAPITAL LLC	FHLB NOTES	17,436,041.33			-17,436,041.33
36403	COMM	313384RJ0	FHLB DISC NOTE	Purchase	DEUTSCHE BANK	FHLB NOTES	34,995,187.50			-34,995,187.50
36401	COMM	90349TGQ4	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36400	COMM	SYS36400	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00

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36398	COMM	SYS36398	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36399	COMM	90349TGN1	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36398	COMM	SYS36398	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			750.01	750.01
36399	COMM	90349TGN1	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
34291	COMM	SYS34291	MSGI 0.%	Interest		MORGAN STANLEY			2,137.86	2,137.86
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	2,137.86			-2,137.86
36105	COMM	SYS36105	BLACKR 0.04%	Interest		BLACKROCK			16,933.06	16,933.06
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	16,933.06			-16,933.06
		Totals for 12/02/2015					552,450,299.75	450,000,000.00	20,237.60	-102,430,062.15
36406	COMM	313384RL5	FHLB DISC NOTE	Purchase	DEUTSCHE BANK	FHLB NOTES	34,994,711.11			-34,994,711.11
36407	COMM	3130A4PA4	FEDERAL HOME	Purchase	KEYBANC CAPITAL	FHLB NOTES	10,024,811.11			-10,024,811.11
36405	COMM	90349TGY7	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36404	COMM	SYS36404	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36408	COMM	94988EMF2	WELLS 0.67% MAT	Purchase	WELLS FARGO	WELLS FARGO	30,000,000.00			-30,000,000.00
36400	COMM	SYS36400	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36401	COMM	90349TGQ4	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36400	COMM	SYS36400	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			874.98	874.98
36401	COMM	90349TGQ4	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/03/2015					575,019,522.22	500,000,000.00	1,291.65	-75,018,230.57
36410	COMM	90349TGZ4	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36409	COMM	SYS36409	USTN 0.09% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36404	COMM	SYS36404	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36405	COMM	90349TGY7	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36404	COMM	SYS36404	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			874.98	874.98
36405	COMM	90349TGY7	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/04/2015					500,000,000.00	500,000,000.00	1,291.65	1,291.65
35260	COMM	166764AA8	CHEVRON CORP	Interest	JEFFERIES & CO,	CHEVRON CORP.			55,200.00	55,200.00
		Totals for 12/05/2015							55,200.00	55,200.00
35097	COMM	3130A22N5	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			21,000.00	21,000.00
35193	COMM	3130A22N5	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			52,500.00	52,500.00
35206	COMM	3130A22N5	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			42,000.00	42,000.00
35397	COMM	3130A22N5	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			63,000.00	63,000.00
		Totals for 12/06/2015							178,500.00	178,500.00
36413	COMM	SYS36413	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36412	COMM	SYS36412	USTN 0.13% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	95,000,000.00			-95,000,000.00
36409	COMM	SYS36409	USTN 0.09% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36410	COMM	90349TGZ4	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00

SANTA CLARA COUNTY INVESTMENTS
Transaction Activity Report
Sorted by Transaction Date - Transaction Date

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36409	COMM	SYS36409	USTN 0.09% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			2,624.98	2,624.98
36410	COMM	90349TGZ4	USB 0.1% MAT	Interest	U S BANK	U S BANK			1,250.00	1,250.00
		Totals for 12/07/2015					**595,000,000.00**	**500,000,000.00**	**3,874.98**	**-94,996,125.02**
36417	COMM	313384SG5	FHLBD DISC NOTE	Purchase	BREAN CAPITAL LLC	FHLB DISCOUNT	49,980,944.44			-49,980,944.44
36418	COMM	313384SG5	FHLBD DISC NOTE	Purchase	BREAN CAPITAL LLC	FHLB DISCOUNT	49,980,944.44			-49,980,944.44
36415	COMM	SYS36415	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36414	COMM	SYS36414	USTN 0.16% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36412	COMM	SYS36412	USTN 0.13% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36413	COMM	SYS36413	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
35906	COMM	313379DT3	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			125,000.00	125,000.00
35956	COMM	3133XRFZ8	FEDERAL HOME	Interest	KEYBANC CAPITAL	FHLB NOTES			118,750.00	118,750.00
35957	COMM	313379DT3	FEDERAL HOME	Interest	BREAN CAPITAL LLC	FHLB NOTES			31,250.00	31,250.00
36227	COMM	3135G0E41	FEDERAL NATL MTG	Interest	MERRILL LYNCH	FNMA NOTES			8,750.00	8,750.00
36227	COMM	3135G0E41	FEDERAL NATL MTG	Accr Int	MERRILL LYNCH	FNMA NOTES		4,763.89	-4,763.89	0.00
36412	COMM	SYS36412	USTN 0.13% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,263.91	1,263.91
36413	COMM	SYS36413	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/08/2015					**599,961,888.88**	**500,004,763.89**	**280,666.69**	**-99,676,458.30**
36426	COMM	06417GCG1	BNSHOU 0.4% MAT	Purchase	UBS FINANCE	BANK OF NOVA	40,000,000.00			-40,000,000.00
36421	COMM	313384SF7	FHLB DISC NOTE	Purchase	UBS FINANCE	FHLB NOTES	49,979,764.00			-49,979,764.00
36423	COMM	313396SB0	FMCDN DISC NOTE	Purchase	UBS FINANCE	FHLMC DISCOUNT	5,998,924.98			-5,998,924.98
36427	COMM	313396RM7	FMCDN DISC NOTE	Purchase	UBS FINANCE	FHLMC DISCOUNT	10,000,791.46			-10,000,791.46
36420	COMM	SYS36420	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36419	COMM	SYS36419	USTN 0.16% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	100,000,000.00			-100,000,000.00
36414	COMM	SYS36414	USTN 0.16% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36415	COMM	SYS36415	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36414	COMM	SYS36414	USTN 0.16% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,555.54	1,555.54
36415	COMM	SYS36415	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/09/2015					**705,979,480.44**	**500,000,000.00**	**1,972.21**	**-205,977,508.23**
36431	COMM	313384RV3	FHDN DISC NOTE	Purchase	LOOP CAPITAL	FHLB DISCOUNT	24,993,625.00			-24,993,625.00
36430	COMM	313384RS0	FHLBD DISC NOTE	Purchase	DEUTSCHE BANK	FHLB DISCOUNT	29,993,262.50			-29,993,262.50
36429	COMM	SYS36429	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36428	COMM	SYS36428	USTN 0.16% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36419	COMM	SYS36419	USTN 0.16% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36420	COMM	SYS36420	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
34652	COMM	313373SZ6	FEDERAL HOME	Interest	JPMorganChase	FHLB NOTES			237,521.88	237,521.88
34663	COMM	313373SZ6	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			265,625.00	265,625.00
34682	COMM	313373SZ6	FEDERAL HOME	Interest	MORGAN STANLEY	FHLB NOTES			531,250.00	531,250.00
34749	COMM	313373SZ6	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			159,375.00	159,375.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35136	COMM	3130A2C61	FEDERAL HOME	Interest	RAYMOND JAMES &	FHLB NOTES			9,375.00	9,375.00
35195	COMM	3130A2C61	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			9,375.00	9,375.00
35512	COMM	3130A2C61	FEDERAL HOME	Interest	MORGAN STANLEY	FHLB NOTES			26,203.13	26,203.13
35520	COMM	3130A2C61	FEDERAL HOME	Interest	RAYMOND JAMES &	FHLB NOTES			46,875.00	46,875.00
36419	COMM	SYS36419	USTN 0.16% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,555.58	1,555.58
36420	COMM	SYS36420	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/10/2015					554,986,887.50	500,000,000.00	1,287,572.26	-53,699,315.24
36434	COMM	313384RS0	FHLBD DISC NOTE	Purchase	DEUTSCHE BANK	FHLB DISCOUNT	24,994,888.89			-24,994,888.89
36436	COMM	3137EADX4	FEDERAL HOME LN	Purchase	WELLS FARGO	FHLMC NOTES	19,979,400.00			-19,979,400.00
36437	COMM	3137EADX4	FEDERAL HOME LN	Purchase	DEUTSCHE BANK	FHLMC NOTES	14,984,550.00			-14,984,550.00
36435	COMM	313396WE9	FMCDN DISC NOTE	Purchase	LOOP CAPITAL	FHLMC DISCOUNT	29,940,500.10			-29,940,500.10
36433	COMM	SYS36433	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36432	COMM	SYS36432	USTN 0.12% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	349,999,999.80			-349,999,999.80
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	100,000,000.00			-100,000,000.00
36428	COMM	SYS36428	USTN 0.16% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36429	COMM	SYS36429	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36428	COMM	SYS36428	USTN 0.16% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,555.57	1,555.57
36429	COMM	SYS36429	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/11/2015					689,899,338.79	500,000,000.00	1,972.24	-189,897,366.55
35643	COMM	78009NTJ5	RBC 0.2917% MAT	Interest	RBC CAPITAL	ROYAL BANK OF			4,206.66	4,206.66
		Totals for 12/12/2015							4,206.66	4,206.66
36440	COMM	3133EFSG3	FEDERAL FARM CR	Purchase	Daiwa Capital Market	FFCB NOTES	20,000,000.00			-20,000,000.00
36441	COMM	3133EFSG3	FEDERAL FARM CR	Purchase	WELLS FARGO	FFCB NOTES	15,000,000.00			-15,000,000.00
36442	COMM	3133EFSH1	FEDERAL FARM CR	Purchase	WELLS FARGO	FFCB NOTES	14,992,500.00			-14,992,500.00
36443	COMM	3133EFSH1	FEDERAL FARM CR	Purchase	MERRILL LYNCH	FFCB NOTES	19,989,800.00			-19,989,800.00
36439	COMM	SYS36439	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36438	COMM	SYS36438	USTN 0.14% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	350,000,000.00			-350,000,000.00
36432	COMM	SYS36432	USTN 0.12% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		349,999,999.80		349,999,999.80
36433	COMM	SYS36433	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36402	COMM	313379EE5	FEDERAL HOME	Interest	INCAPITAL LLC	FHLB NOTES			139,750.00	139,750.00
36402	COMM	313379EE5	FEDERAL HOME	Accr Int	INCAPITAL LLC	FHLB NOTES		130,433.33	-130,433.33	0.00
36432	COMM	SYS36432	USTN 0.12% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			3,500.01	3,500.01
36433	COMM	SYS36433	USB 0.1% MAT	Interest	U S BANK	U S BANK			1,250.00	1,250.00
		Totals for 12/14/2015					569,982,300.00	500,130,433.13	14,066.68	-69,837,800.19
36451	COMM	34959TDL7	BNP P 0.92% MAT	Purchase	UBS FINANCE	BNP PARIBAS NY	45,000,000.00			-45,000,000.00
36446	COMM	313396VH3	FREDN DISC NOTE	Purchase	DEUTSCHE BANK	FREDDIE MAC	34,949,687.50			-34,949,687.50
36450	COMM	31315KH45	FRMDN ZERO CPN	Purchase	MIZUHO	FARMER MAC	9,945,183.33			-9,945,183.33
36453	COMM	21685VKR9	RABO 0.8% MAT	Purchase	UBS FINANCE	RABOBANK	35,000,000.00			-35,000,000.00

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36452	COMM	89113EX27	TORDOM 0.79% MAT	Purchase	UBS FINANCE	TORONTO	30,000,000.00			-30,000,000.00
36448	COMM	SYS36448	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36447	COMM	SYS36447	USTN 0.2% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	400,000,000.00			-400,000,000.00
36389	COMM	13606AJQ2	CIBC 0.1% MAT	Redemption	UBS FINANCE	CANADIAN IMP BK		45,000,000.00		45,000,000.00
36438	COMM	SYS36438	USTN 0.14% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		350,000,000.00		350,000,000.00
36439	COMM	SYS36439	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
34755	COMM	912828VG2	UNITED STATES	Interest	CITIGROUP GLOBAL	U.S. TREASURY			125,000.00	125,000.00
34997	COMM	912828VG2	UNITED STATES	Interest	MORGAN STANLEY	U.S. TREASURY			125,000.00	125,000.00
35549	COMM	3130A3SL9	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			47,500.00	47,500.00
35864	COMM	3130A4Y71	FHLB 1.% MAT	Interest	WELLS FARGO	FHLB NOTES			132,500.00	132,500.00
35936	COMM	459058EJ8	IBRD 1.% MAT	Interest	BARCLAYS CAPITAL	INTL BANK RECON &			75,000.00	75,000.00
35937	COMM	459058EJ8	IBRD 1.% MAT	Interest	BMO CAPITAL	INTL BANK RECON &			50,000.00	50,000.00
36389	COMM	13606AJQ2	CIBC 0.1% MAT	Interest	UBS FINANCE	CANADIAN IMP BK			2,500.00	2,500.00
36438	COMM	SYS36438	USTN 0.14% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,361.13	1,361.13
36439	COMM	SYS36439	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
34933	COMM	89231MAC9	TAOT 0.67% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			4,286.60	4,286.60
34933	COMM	89231MAC9	TAOT 0.67% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		593,305.48		593,305.48
35311	COMM	477877AB0	JDOT 0.54% MAT	Interest	RBC CAPITAL	JOHN DEERE			1,944.97	1,944.97
35311	COMM	477877AB0	JDOT 0.54% MAT	Redemption	RBC CAPITAL	JOHN DEERE		489,464.60		489,464.60
35375	COMM	89190AAB6	TAOT 0.51% MAT	Interest	MERRILL LYNCH	TOYOTA AUTO REC			902.13	902.13
35375	COMM	89190AAB6	TAOT 0.51% MAT	Redemption	MERRILL LYNCH	TOYOTA AUTO REC		450,339.36		450,339.36
35457	COMM	43814JAB0	HAROT 0.58% MAT	Interest	BNP PARIBAS	HONDA AUTO			2,849.95	2,849.95
35457	COMM	43814JAB0	HAROT 0.58% MAT	Redemption	BNP PARIBAS	HONDA AUTO		1,104,802.52		1,104,802.52
35701	COMM	89236WAB4	TAOT 0.71% MAT	Interest	JPMorganChase	TOYOTA AUTO REC			5,176.09	5,176.09
35701	COMM	89236WAB4	TAOT 0.71% MAT	Redemption	JPMorganChase	TOYOTA AUTO REC		883,081.11		883,081.11
35725	COMM	47787UAB9	JDOT 0.87% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			9,452.91	9,452.91
35725	COMM	47787UAB9	JDOT 0.87% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		913,953.27		913,953.27
35726	COMM	47787UAD5	JDOT 1.32% MAT	Interest	CITIGROUP GLOBAL	JOHN DEERE			6,600.00	6,600.00
35726	COMM	47787UAD5	JDOT 1.32% MAT	Redemption	CITIGROUP GLOBAL	JOHN DEERE		138,760.57		138,760.57
35953	COMM	161571GY4	CHAIT 1.36% MAT	Interest	JPMorganChase	CHASE ISSUANCE			28,333.33	28,333.33
35953	COMM	161571GY4	CHAIT 1.36% MAT	Redemption	JPMorganChase	CHASE ISSUANCE		468,636.59		468,636.59
36060	COMM	89237CAB7	TAOT 0.77% MAT	Interest	CITIGROUP GLOBAL	TOYOTA AUTO REC			6,416.67	6,416.67
36060	COMM	89237CAB7	TAOT 0.77% MAT	Redemption	CITIGROUP GLOBAL	TOYOTA AUTO REC		406,072.54		406,072.54
36078	COMM	65473DAB8	NALT 0.99% MAT	Interest	BARCLAYS CAPITAL	NISSAN AUTO			2,479.95	2,479.95
36078	COMM	65473DAB8	NALT 0.99% MAT	Redemption	BARCLAYS CAPITAL	NISSAN AUTO		53,954.49		53,954.49
36216	COMM	47787WAC3	JDOT 1.44% MAT	Interest	ROYAL BANK OF	JOHN DEERE			6,900.00	6,900.00
36216	COMM	47787WAC3	JDOT 1.44% MAT	Redemption	ROYAL BANK OF	JOHN DEERE		119,289.85		119,289.85
		Totals for 12/15/2015					**704,894,870.83**	**550,621,660.38**	**634,620.40**	**-153,638,590.05**
36457	COMM	313312G20	FCDN ZERO CPN	Purchase	UBS FINANCE	FFCB DISCOUNT	24,866,319.50			-24,866,319.50
36456	COMM	313384SK6	FHDN DISC NOTE	Purchase	DEUTSCHE BANK	FHLB DISCOUNT	34,989,519.44			-34,989,519.44

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36459	COMM	313396WJ8	FHLMCD DISC NOTE	Purchase	LOOP CAPITAL	FHLMC DISCOUNT	24,951,736.00			-24,951,736.00
36460	COMM	31315KH86	FRMDN ZERO CPN	Purchase	MIZUHO	FARMER MAC	9,944,608.33			-9,944,608.33
36455	COMM	SYS36455	USB 0.1% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36454	COMM	SYS36454	USTN 0.21% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Purchase		MORGAN STANLEY	100,000,000.00			-100,000,000.00
36447	COMM	SYS36447	USTN 0.2% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		400,000,000.00		400,000,000.00
36448	COMM	SYS36448	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36447	COMM	SYS36447	USTN 0.2% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			2,222.21	2,222.21
36448	COMM	SYS36448	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/16/2015					**644,752,183.27**	**550,000,000.00**	**2,638.88**	**-94,749,544.39**
36464	COMM	06427EPD7	BMOCHI 0.84% MAT	Purchase	BMO CAPITAL	BANK OF	40,000,000.00			-40,000,000.00
36466	COMM	13606ALD8	CIBC 0.82% MAT	Purchase	UBS FINANCE	CANADIAN IMP BK	30,000,000.00			-30,000,000.00
36463	COMM	313384UY3	FHLB DISC NOTE	Purchase	DEUTSCHE BANK	FHLB NOTES	24,966,777.78			-24,966,777.78
36465	COMM	21684BC36	RABO 0.85% MAT	Purchase	UBS FINANCE	RABOBANK	25,000,000.00			-25,000,000.00
36462	COMM	SYS36462	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36461	COMM	SYS36461	USTN 0.3% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36454	COMM	SYS36454	USTN 0.21% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36455	COMM	SYS36455	USB 0.1% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36454	COMM	SYS36454	USTN 0.21% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,750.00	1,750.00
36455	COMM	SYS36455	USB 0.1% MAT	Interest	U S BANK	U S BANK			416.67	416.67
		Totals for 12/17/2015					**569,966,777.78**	**450,000,000.00**	**2,166.67**	**-119,964,611.11**
36470	COMM	13606ALN6	CIBC 0.85% MAT	Purchase	UBS FINANCE	CANADIAN IMP BK	35,000,000.00			-35,000,000.00
36469	COMM	89113EX92	TORDOM 0.94% MAT	Purchase	UBS FINANCE	TORONTO	35,000,000.00			-35,000,000.00
36468	COMM	SYS36468	USB 0.2% MAT	Purchase		U S BANK	125,000,000.00			-125,000,000.00
36467	COMM	SYS36467	USTN 0.3% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			-300,000,000.00
36471	COMM	94988EMS4	WELLS 0.82% MAT	Purchase	WELLS FARGO	WELLS FARGO	25,000,000.00			-25,000,000.00
36461	COMM	SYS36461	USTN 0.3% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36462	COMM	SYS36462	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
35527	COMM	3133EEFE5	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			56,250.00	56,250.00
35529	COMM	3133EEFE5	FEDERAL FARM CR	Interest	MERRILL LYNCH	FFCB NOTES			56,250.00	56,250.00
36461	COMM	SYS36461	USTN 0.3% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			2,499.98	2,499.98
36462	COMM	SYS36462	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.34	833.34
		Totals for 12/18/2015					**520,000,000.00**	**450,000,000.00**	**115,833.32**	**-69,884,166.68**
36376	COMM	3130A6SW8	FEDERAL HOME	Interest	BARCLAYS CAPITAL	FHLB NOTES			16,111.20	16,111.20
36377	COMM	3130A6SW8	FEDERAL HOME	Interest	DEUTSCHE BANK	FHLB NOTES			16,111.20	16,111.20
		Totals for 12/19/2015							**32,222.40**	**32,222.40**
35064	COMM	92867RAC3	VALET 0.91% MAT	Interest	JPMorganChase	VOLKSWAGEN			7,583.33	7,583.33
35064	COMM	92867RAC3	VALET 0.91% MAT	Redemption	JPMorganChase	VOLKSWAGEN		298,197.13		298,197.13

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35065	COMM	92867RAB5	VALET 0.42% MAT	Interest	JPMorganChase	VOLKSWAGEN			1,347.19	**1,347.19**
35065	COMM	92867RAB5	VALET 0.42% MAT	Redemption	JPMorganChase	VOLKSWAGEN		1,604,696.78		**1,604,696.78**
35706	COMM	92867VAB6	VALET 0.98% MAT	Interest	BARCLAYS CAPITAL	VOLKSWAGEN			6,874.57	**6,874.57**
35706	COMM	92867VAB6	VALET 0.98% MAT	Redemption	BARCLAYS CAPITAL	VOLKSWAGEN		610,167.93		**610,167.93**
36274	COMM	05581QAD0	BMWLT 1.4% MAT	Interest	CREDIT SUISSE	BMW VEHICLE			35,000.01	**35,000.01**
36274	COMM	05581QAD0	BMWLT 1.4% MAT	Redemption	CREDIT SUISSE	BMW VEHICLE		762,066.15		**762,066.15**
		Totals for 12/20/2015						**3,275,127.99**	**50,805.10**	**3,325,933.09**
36473	COMM	SYS36473	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			**-150,000,000.00**
36472	COMM	SYS36472	USTN 0.3% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	100,000,000.00			**-100,000,000.00**
36467	COMM	SYS36467	USTN 0.3% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		**300,000,000.00**
36468	COMM	SYS36468	USB 0.2% MAT	Redemption		U S BANK		125,000,000.00		**125,000,000.00**
33890	COMM	313379DD8	FHLB 1.% MAT	Interest	MERRILL LYNCH	FHLB NOTES			125,000.00	**125,000.00**
36467	COMM	SYS36467	USTN 0.3% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			7,500.02	**7,500.02**
36468	COMM	SYS36468	USB 0.2% MAT	Interest		U S BANK			2,083.34	**2,083.34**
35986	COMM	43813NAC0	HAROT 1.04% MAT	Interest	JPMorganChase	HONDA AUTO			6,066.67	**6,066.67**
35986	COMM	43813NAC0	HAROT 1.04% MAT	Redemption	JPMorganChase	HONDA AUTO		179,958.56		**179,958.56**
		Totals for 12/21/2015					**250,000,000.00**	**425,179,958.56**	**140,650.03**	**175,320,608.59**
36475	COMM	SYS36475	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			**-150,000,000.00**
36474	COMM	SYS36474	USTN 0.23% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	200,000,000.00			**-200,000,000.00**
36065	COMM	3134G7CQ2	FEDERAL HOME LN	Redemption	BMO CAPITAL	FHLMC NOTES		2,224,221.25		**2,224,221.25**
36065	COMM	3134G7CQ2	FEDERAL HOME LN	Cap G/L	BMO CAPITAL	FHLMC NOTES		778.75		**778.75**
36472	COMM	SYS36472	USTN 0.3% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		100,000,000.00		**100,000,000.00**
36473	COMM	SYS36473	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		**150,000,000.00**
36065	COMM	3134G7CQ2	FEDERAL HOME LN	Interest	BMO CAPITAL	FHLMC NOTES			6,953.13	**6,953.13**
36066	COMM	3134G67C1	FEDERAL HOME LN	Interest	MORGAN STANLEY	FHLMC NOTES			60,000.00	**60,000.00**
36472	COMM	SYS36472	USTN 0.3% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			833.34	**833.34**
36473	COMM	SYS36473	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.34	**833.34**
		Totals for 12/22/2015					**350,000,000.00**	**252,225,000.00**	**68,619.81**	**-97,706,380.19**
36478	COMM	313384TP4	FHLBD DISC NOTE	Purchase	DEUTSCHE BANK	FHLB DISCOUNT	24,986,909.72			**-24,986,909.72**
36477	COMM	SYS36477	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			**-150,000,000.00**
36476	COMM	SYS36476	USTN 0.27% MAT	Purchase	DEUTSCHE BANK	U.S. TREASURY	300,000,000.00			**-300,000,000.00**
35700	COMM	36164EAB1	GEET 0.89% MAT	Redemption	MERRILL LYNCH	GE EQUIP		5,303,304.05		**5,303,304.05**
36474	COMM	SYS36474	USTN 0.23% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		200,000,000.00		**200,000,000.00**
36475	COMM	SYS36475	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		**150,000,000.00**
36076	COMM	3134G64W0	FEDERAL HOME LN	Interest	JPMorganChase	FHLMC NOTES			45,000.00	**45,000.00**
36087	COMM	3134G64W0	FEDERAL HOME LN	Interest	JPMorganChase	FHLMC NOTES			45,000.00	**45,000.00**
36087	COMM	3134G64W0	FEDERAL HOME LN	Accr Int	JPMorganChase	FHLMC NOTES		750.00	-750.00	**0.00**
36474	COMM	SYS36474	USTN 0.23% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			1,277.77	**1,277.77**
36475	COMM	SYS36475	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.34	**833.34**

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
35700	COMM	36164EAB1	GEET 0.89% MAT	Interest	MERRILL LYNCH	GE EQUIP			3,933.70	3,933.70
35700	COMM	36164EAB1	GEET 0.89% MAT	Redemption	MERRILL LYNCH	GE EQUIP		209,977.69		209,977.69
35700	COMM	36164EAB1	GEET 0.89% MAT	Interest	MERRILL LYNCH	GE EQUIP				0.00
35700	COMM	36164EAB1	GEET 0.89% MAT	Redemption	MERRILL LYNCH	GE EQUIP				0.00
		Totals for 12/23/2015					**474,986,909.72**	**355,514,031.74**	**95,294.81**	**-119,377,583.17**
36480	COMM	78009NYM2	RBC 0.915% MAT	Purchase	ROYAL BANK OF	ROYAL BANK OF	25,000,000.00			-25,000,000.00
36479	COMM	SYS36479	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36477	COMM	SYS36477	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
34257	COMM	3133834R9	FHLB 0.375% MAT	Interest	CITIGROUP GLOBAL	FHLB NOTES			28,125.00	28,125.00
34261	COMM	3133834R9	FHLB 0.375% MAT	Interest	CITIGROUP GLOBAL	FHLB NOTES			65,625.00	65,625.00
34349	COMM	166764AC4	CVX 0.889% MAT	Interest	BARCLAYS CAPITAL	CHEVRON CORP.			22,225.00	22,225.00
34533	COMM	3133834R9	FHLB 0.375% MAT	Interest	DEUTSCHE BANK	FHLB NOTES			46,875.00	46,875.00
36477	COMM	SYS36477	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.34	833.34
		Totals for 12/24/2015					**175,000,000.00**	**150,000,000.00**	**163,683.34**	**-24,836,316.66**
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Interest	RBC CAPITAL	BMW VEHICLE			1,570.67	1,570.67
35376	COMM	09658UAB5	BMWOT 0.53% MAT	Redemption	RBC CAPITAL	BMW VEHICLE		817,452.73		817,452.73
		Totals for 12/25/2015						**817,452.73**	**1,570.67**	**819,023.40**
36484	COMM	06052TRE2	BAC 0.86% MAT	Purchase	MERRILL LYNCH	BANK OF AMERICA	45,000,000.00			-45,000,000.00
36483	COMM	34959TDP8	BNP P 0.85% MAT	Purchase	UBS FINANCE	BNP PARIBAS NY	25,000,000.00			-25,000,000.00
36482	COMM	313384TS8	FHLB DISC NOTE	Purchase	DEUTSCHE BANK	FHLB NOTES	23,315,569.77			-23,315,569.77
36481	COMM	SYS36481	USTN 0.2% MAT	Purchase	U S BANK	U.S. TREASURY	150,000,000.00			-150,000,000.00
36476	COMM	SYS36476	USTN 0.27% MAT	Redemption	DEUTSCHE BANK	U.S. TREASURY		300,000,000.00		300,000,000.00
36479	COMM	SYS36479	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
36201	COMM	3133EDEB4	FEDERAL FARM CR	Interest	BREAN CAPITAL LLC	FFCB NOTES			55,000.00	55,000.00
36201	COMM	3133EDEB4	FEDERAL FARM CR	Accr Int	BREAN CAPITAL LLC	FFCB NOTES		19,250.00	-19,250.00	0.00
36476	COMM	SYS36476	USTN 0.27% MAT	Interest	DEUTSCHE BANK	U.S. TREASURY			11,249.98	11,249.98
36479	COMM	SYS36479	USB 0.2% MAT	Interest	U S BANK	U S BANK			3,333.33	3,333.33
		Totals for 12/28/2015					**243,315,569.77**	**450,019,250.00**	**50,333.31**	**206,754,013.54**
36486	COMM	3130A6WL7	FEDERAL HOME	Purchase	INCAPITAL LLC	FHLB NOTES	25,000,000.00			-25,000,000.00
36487	COMM	3134G8AB5	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	10,465,000.00			-10,465,000.00
36488	COMM	3134G8DY2	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	12,000,000.00			-12,000,000.00
36485	COMM	SYS36485	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36481	COMM	SYS36481	USTN 0.2% MAT	Redemption	U S BANK	U.S. TREASURY		150,000,000.00		150,000,000.00
35498	COMM	3137EADH9	FEDERAL HOME LN	Interest	BNP PARIBAS	FHLMC NOTES			125,000.00	125,000.00
35816	COMM	3130A4UP5	FEDERAL HOME	Interest	WELLS FARGO	FHLB NOTES			131,250.00	131,250.00
35893	COMM	3134G6TF0	FEDERAL HOME LN	Interest	Daiwa Capital Market	FHLMC NOTES			116,250.00	116,250.00
36093	COMM	3136G2KZ9	FEDERAL NATL MTG	Interest	UBS FINANCE	FNMA NOTES			31,800.00	31,800.00
36094	COMM	3134G6V26	FEDERAL HOME LN	Interest	INCAPITAL LLC	FHLMC NOTES			40,156.25	40,156.25

Investment #	Fund	CUSIP	Inv Descrip	TransactionType	Dealer	Issuer	New Principal	Principal Paydowns	Interest	Total Cash
36481	COMM	SYS36481	USTN 0.2% MAT	Interest	U S BANK	U.S. TREASURY			833.34	833.34
		Totals for 12/29/2015					197,465,000.00	150,000,000.00	445,289.59	-47,019,710.41
36490	COMM	3134G8FC8	FEDERAL HOME LN	Purchase	INCAPITAL LLC	FHLMC NOTES	5,000,000.00			-5,000,000.00
36489	COMM	SYS36489	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
35554	COMM	3134G5VV4	FHLMCC 1.05% MAT	Redemption	UBS FINANCE	FHLMC CALLABLE		10,000,000.00		10,000,000.00
36485	COMM	SYS36485	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
35554	COMM	3134G5VV4	FHLMCC 1.05% MAT	Interest	UBS FINANCE	FHLMC CALLABLE			52,500.00	52,500.00
36485	COMM	SYS36485	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.34	833.34
		Totals for 12/30/2015					155,000,000.00	160,000,000.00	53,333.34	5,053,333.34
36492	COMM	3133EFMU8	FEDERAL FARM CR	Purchase	DEUTSCHE BANK	FFCB NOTES	13,200,741.36			-13,200,741.36
36493	COMM	313396ZY2	FMCDN ZERO CPN	Purchase	MIZUHO	FHLMC DISCOUNT	39,883,333.33			-39,883,333.33
36491	COMM	SYS36491	USB 0.2% MAT	Purchase	U S BANK	U S BANK	150,000,000.00			-150,000,000.00
36105	COMM	SYS36105	BLACKR 0.04%	Purchase		BLACKROCK	60,000,000.00			-60,000,000.00
36489	COMM	SYS36489	USB 0.2% MAT	Redemption	U S BANK	U S BANK		150,000,000.00		150,000,000.00
34291	COMM	SYS34291	MSGI 0.%	Redemption		MORGAN STANLEY		60,000,000.00		60,000,000.00
35886	COMM	912828VK3	UNITED STATES	Interest	MERRILL LYNCH	U.S. TREASURY			171,875.00	171,875.00
36489	COMM	SYS36489	USB 0.2% MAT	Interest	U S BANK	U S BANK			833.40	833.40
		Totals for 12/31/2015					263,084,074.69	210,000,000.00	172,708.40	-52,911,366.29
		Grand Total					25,374,763,153.	23,826,270,073.	10,031,732.51	-1,538,461,347.

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