NEW ISSUE—BOOK-ENTRY ONLY

RATING:
Moody's: "Aa3"
See "RATING" herein.

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the District with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS" herein.

$40,000,000
NEW HAVEN UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds,
Election of 2014, Series B (2017)

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

The $40,000,000 New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017) (the "Bonds") are being issued by the New Haven Unified School District (the "District") pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code and a resolution of the Board of Education of the District. The Bonds are being issued to (a) finance the acquisition and construction of educational facilities and projects which were described in the ballot measure approved by the electors of the District on November 4, 2014, which authorized the issuance of general obligation bonds in the maximum aggregate principal amount of $125,000,000 (the "2014 Authorization"), and (b) pay for costs of issuance of the Bonds. The Bonds constitute the second issue of bonds under the 2014 Authorization. The Bonds will be issued as current interest bonds.

The Bonds constitute general obligations of the District. The Board of Supervisors of Alameda County is empowered and obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of interest on, and principal of, the Bonds upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates), all as more fully described herein under "THE BONDS" and "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS" herein.

The Bonds are issuable in denominations of $5,000 and any integral multiple thereof. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2018. See "THE BONDS" herein. The Bonds will be delivered in fully registered form only and, when delivered, 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 Bonds. Ownership interests in the Bonds may be purchased in book-entry form only. Principal of and interest on the Bonds will be paid by U.S. Bank National Association, as paying agent (the "Paying Agent"), to DTC or its nominee, which will in turn remit such payment to its participants for subsequent disbursement to the beneficial owners of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" herein.

The Bonds are subject to redemption prior to maturity. See "THE BONDS—Redemption" herein.

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND YIELDS

$8,220,000 Serial Bonds

CUSIP† Prefix: 645002

Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix	Maturity (August 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Suffix
2018	$1,530,000	2.000%	0.810%	100.953	C61	2029	$ 370,000	5.000%	2.330%	123.281c	D60
2019	1,000,000	3.000	0.870	103.806	C79	2030	400,000	5.000	2.450	122.104c	D78
2024	225,000	3.000	1.610	108.924	C95	2035	1,070,000	3.000	3.240	96.769	D86
2026	275,000	4.000	1.940	116.598	D37	2036	1,260,000	3.000	3.290	95.954	D94
2027	305,000	4.000	2.060	117.142	D45	2037	1,450,000	3.000	3.330	95.239	E28
2028	335,000	5.000	2.200	124.571c	D52						

$10,740,000 3.375% Term Bonds maturing August 1, 2042, Price: 96.965, to yield 3.560%—CUSIP† 645002 E36

$21,040,000 4.000% Term Bonds maturing August 1, 2047, Price: 104.200c, to yield 3.490%—CUSIP† 645002E44

This cover page and the inside cover page contain information for quick reference only. They are not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The Bonds will be offered when, as and if issued, and received by the Underwriter, subject to the approval as to their validity by Quint & Thimmig LLP, Larkspur, California, Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the District by Quint & Thimmig LLP, Larkspur, California, Disclosure Counsel, and for the Underwriter by Kutak Rock LLP, Denver, Colorado. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about October 11, 2017.

Morgan Stanley

September 27, 2017

c Priced to the August 1, 2027, par call date.

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

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

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

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

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.

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

No Securities Laws Registration. The Bonds have not been registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, in reliance upon exceptions therein for the issuance and sale of municipal securities. The Bonds have not been registered or qualified under the securities laws of any state.

Estimates and Projections. 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, 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.

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

Website. The District maintains a website. Unless specifically indicated otherwise, the information presented on such website is not incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds.

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TABLE OF CONTENTS

NEW HAVEN UNIFIED SCHOOL DISTRICT
34200 Alvarado-Niles Road
Union City, California 94587
(510) 471-1100
http://www.mynhusd.org/*

BOARD OF EDUCATION

Linda Canlas, *President*
Sarabjit Cheema, *Clerk*
Sharan Kaur, *Board Member*
Lance Nishihira, *Board Member*
Jeff Wang, *Board Member*

DISTRICT ADMINISTRATION

Arlando Smith, Ed.D., *Superintendent*
Annette Heldman, *Chief Business Officer*

PROFESSIONAL SERVICES

BOND COUNSEL and DISCLOSURE COUNSEL
Quint & Thimmig LLP
Larkspur, California

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

PAYING AGENT, TRANSFER AGENT
and AUTHENTICATION AGENT
U.S. Bank National Association
San Francisco, California

*Information therein is not incorporated by reference into this Official Statement.

$40,000,000
NEW HAVEN UNIFIED SCHOOL DISTRICT
(Alameda County, California)
General Obligation Bonds
Election of 2014, Series B (2017)

INTRODUCTION

This Official Statement, which includes the cover page and the appendices hereto, provides information in connection with the sale of the $40,000,000 New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017) (the "Bonds").

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

The District

The New Haven Unified School District (the "District"), located in Alameda County, California (the "County"), covers approximately 18 square miles, is located in the San Francisco Bay Area and serves Union City and southern portions of the City of Hayward. The District was created in 1965 and serves over 11,500 students who attend the District's 11 schools. The District consists of seven elementary schools, two middle schools, one comprehensive high school, one independent study site, one continuation high school and is a member of the Mission Valley Regional Occupational Program. In addition, the District offers limited federal funded programs through its Adult Education and operates seven child care centers through Kids First.

The District is governed by a five-member Board of Education (the "District Board") which is elected in alternating four-year terms. The chief executive officer of the District is the Superintendent, who is appointed by the District Board.

For more complete information concerning the District, including certain financial information, see "THE DISTRICT" and APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION. The District's audited financial statements for the fiscal year ended June 30, 2016, are included as APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.

Sources of Payment for the Bonds

The Bonds constitute general obligations of the District payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County is empowered and is obligated to annually levy *ad valorem* taxes for the payment of the Bonds and the interest thereon upon all property in the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). See "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

Authority for Issue; Purpose of Issue

The Bonds are being issued by the District pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code and a resolution adopted by the Governing Board of the District (the "Governing Board") on September 5, 2017 (the "Resolution").

The Bonds are being issued to (a) finance the acquisition and construction of educational facilities and projects which were described in the ballot measure approved by the electors of the District on November 4, 2014, which authorized the issuance of general obligation bonds in the maximum aggregate principal amount of $125,000,000 (the "2014 Authorization"), and (b) pay for costs of issuance of the Bonds. The Bonds constitute the second issue of bonds under the 2014 Authorization.

Description of the Bonds

The Bonds are being issued as current interest bonds. The Bonds will be dated as of their date of delivery, will be issued as fully registered bonds, without coupons, in the denominations of $5,000 principal amount or any integral multiple thereof. Interest on the Bonds accrues from their date of delivery and is payable semiannually on each February 1 and August 1 (each an "Interest Payment Date"), commencing February 1, 2018.

The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth on the cover page hereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See "BOOK-ENTRY ONLY SYSTEM" and APPENDIX G—BOOK-ENTRY SYSTEM. In event that the book-entry system described below is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolution as described herein. See "THE BONDS—Registration, Transfer and Exchange of Bonds." Individual purchases of interests in the Bonds will be available to purchasers of the Bonds in the denominations of $5,000 principal amount or any integral multiple thereof.

Certain of the Bonds are subject to redemption prior to maturity. See "THE BONDS—Redemption."

Tax Matters

In the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, subject to compliance by the District with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. In addition, in the opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California. See "TAX MATTERS."

Offering and Delivery

The Bonds are offered when, as and if issued and received by the purchaser, subject to approval as to their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC on or about October 11, 2017.

Continuing Disclosure

The District has covenanted for the benefit of the holders and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). The specific nature of the information to be made available and of the notices of enumerated events is summarized below under the caption "CONTINUING DISCLOSURE." Also, see APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Copies of documents referred to herein and information concerning the Bonds are available for inspection at the office of the Superintendent, New Haven Unified School District, 34200 Alvarado-Niles Road, Union City, CA 94587, telephone (510) 471-1100. The District may impose a charge for copying, mailing and handling.

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

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

THE BONDS

Authority for Issuance

The Bonds are issued pursuant to the Constitution and laws of the State, including the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code. The Bonds are authorized pursuant to the Resolution.

Purposes of Issuance

The Bonds are being issued to (a) finance the projects authorized under 2014 Authorization, and (b) pay for costs of issuance of the Bonds. See "—Estimated Sources and Uses of Funds."

The District has authorized and issued certain other general obligation bonds. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—District Debt—General Obligation Bonds.

Security

The Bonds constitute general obligations of the District payable solely from *ad valorem* property taxes levied and collected by the County. The Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes for the payment of the Bonds, and the interest thereon, upon all property in the District subject to taxation by the District without limitation of rate or amount (except certain personal property which is taxable at limited rates). Such taxes are required to be levied annually, in addition to all other taxes, during the period that the Bonds are outstanding in an amount sufficient to pay the principal of and interest on the Bonds when due. The levy may include an allowance for a reserve, established to avoid fluctuations in tax levies. Such taxes, when collected, will be deposited, with respect to the Bonds, into the interest and sinking fund maintained by the County on behalf of the District (the "Interest and Sinking Fund") and which is required by the California Education Code to be applied for the payment of principal of and interest on the Bonds when due. Although the County is obligated to levy an *ad valorem* tax for the payment of the Bonds, and the County Auditor-Controller will maintain the Interest and Sinking Fund, the Bonds are a debt of the District, not the County.

Moneys placed in the Interest and Sinking Fund of the District are irrevocably pledged for the payment of the principal of and interest on the Bonds when and as the same fall due. The property taxes and amounts held in the Interest and Sinking Fund of the District shall immediately be subject to this pledge, and the pledge shall constitute a lien and security interest which shall be effective, binding, and enforceable against the District, its successors, creditors and all others irrespective of whether those parties have notice of the pledge and without the need of any physical delivery, recordation, filing, or further act. The pledge is an agreement between the District and the Owners of the Bonds in addition to the statutory lien in accordance with section 53515(a) of the California Government Code, and the Bonds are being issued to finance one or more projects and not to finance the general purposes of the District.

In accordance with section 53515(a) of the California Government Code, the Bonds shall be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax for general obligation bonds issued under the 2014 Authorization. The lien shall automatically attach without further action or authorization by the District or the County. The lien shall be valid and binding from the time the Bonds are issued and delivered. The revenues received pursuant to the levy and collection of the tax shall be immediately subject to the lien, and the lien shall automatically attach to the revenues and be effective, binding, and enforceable against the District, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any physical delivery, recordation, filing, or further act.

The moneys in the Interest and Sinking Fund, to the extent necessary to pay the principal of and interest on the Bonds as the same become due and payable, will be transferred by the County, through the County Treasurer-Tax Collector, to the Paying Agent (hereinafter defined) which, in turn, will pay such moneys to DTC to pay the principal of and interest on the Bonds. DTC will thereupon make payments of principal and interest on the Bonds to the DTC Participants who will thereupon make payments of principal and interest to the Beneficial Owners (as defined herein) of the Bonds.

The amount of the annual *ad valorem* tax levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds in any year. Fluctuations in the annual debt service on the Bonds and the assessed value of taxable property in the District may cause the annual tax rate to fluctuate. Economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemption for property owned by the State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, drought or toxic contamination, could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. For further information regarding the District's assessed valuation, tax rates, overlapping debt, and other matters concerning taxation, see "SECURITY AND SOURCE OF PAYMENT FOR THE BONDS."

The District has authorized and issued certain other general obligation bonds. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—District Debt—General Obligation Bonds.

Description of the Bonds

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee for DTC. Beneficial Owners will not receive physical certificates representing their interest in the Bonds. See "BOOK-ENTRY ONLY SYSTEM" and APPENDIX G—BOOK-ENTRY SYSTEM.

Interest on the Bonds accrues from their date of delivery and is payable semiannually on each Interest Payment Date. Interest on the Bonds accrues on the basis of a 360-day year comprised of twelve 30-day months. Each Bond will bear interest from the Interest Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month next preceding any Interest Payment Date to that Interest Payment Date, inclusive, in which event it will bear interest from such Interest Payment Date, or unless it is authenticated on or before January 15, 2018, in which event it will bear interest from its date of delivery.

The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof. The Bonds mature on the dates, in the years and amounts set forth on the cover page hereof. The principal of and interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Paying Agent mailed by first-class mail to the Owner at the Owner's address as it appears on the registration books maintained by the Paying Agent as of the close of business on the fifteenth day of the month next preceding such Interest Payment Date (the "Record Date"), or at such other address as the Owner may have filed with the Paying Agent for that purpose; provided however, that payment of interest may be by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate principal amount of $1,000,000 or more who shall furnish written wire instructions to the Paying Agent at least five (5) days before the applicable Record Date. See also "BOOK ENTRY ONLY SYSTEM" below.

See the maturity schedule on the cover page hereof and "—Debt Service Schedule."

Payment

The principal of the Bonds will be payable upon maturity or redemption upon surrender of such Bonds at the principal office of the Paying Agent. The principal of and interest on the Bonds will be payable in lawful money of the United States of America. The Paying Agent is authorized to pay the Bonds when duly presented for payment at maturity, and to cancel all Bonds upon payment thereof. The Bonds are general obligations of the District and do not constitute obligations of the County. No part of any fund of the County is pledged or obligated to the payment of the Bonds.

Redemption

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

Mandatory Sinking Fund Redemption. The Bonds maturing on August 1, 2042, are also subject to mandatory sinking fund redemption in part by lot on August 1, 2038, and on each August 1 thereafter, to and including August 1, 2042, from mandatory sinking account payments made by the District at a redemption price equal to the principal amount thereof, without premium, in the aggregate respective amounts and on the respective dates as set forth in the following table.

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2038	$1,690,000
2039	1,905,000
2040	2,145,000
2041	2,380,000
2042†	2,620,000

†Maturity

The Bonds maturing on August 1, 2047, are also subject to mandatory sinking fund redemption in part by lot on August 1, 2043, and on each August 1 thereafter, to and including August 1, 2047, from mandatory sinking account payments made by the District at a redemption price equal to the principal amount thereof, without premium, in the aggregate respective amounts and on the respective dates as set forth in the following table.

Sinking Fund Redemption Date (August 1)	Principal Amount to be Redeemed
2043	$2,855,000
2044	3,125,000
2045	3,370,000
2046	5,650,000
2047†	6,040,000

†Maturity

If any such Term Bonds are redeemed pursuant to optional redemption, the total amount of all future sinking fund payments with respect to such Term Bonds shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such payments on a pro rata basis in integral multiples of $5,000 principal amount (or on such other basis as the District may determine) as set forth in written notice given by the District to the Paying Agent.

Selection of Bonds for Redemption. If less than all of the Bonds are called for redemption, the particular Bonds or portions thereof to be redeemed shall be called in such order as shall be directed by the District and, in lieu of such direction, in inverse order of their maturity. Within a maturity, the Paying Agent shall select the Bonds for redemption by lot; *provided, however*, that the portion of any Bonds to be redeemed shall be in the principal amount of $5,000 or some integral multiple thereof and that, in selecting Bonds for redemption, the Paying Agent shall treat each Bonds as representing that number of Bonds which is obtained by dividing the principal amount of such Bonds by five thousand dollars.

Notice of Redemption. The Paying Agent is required to mail (by first class mail) notice of any redemption to: (i) the respective Owners of any Bonds designated for redemption, at least thirty (30) but not more than sixty (60) days prior to the redemption date, at their respective addresses appearing on the Bond Register, and (ii) the Securities Depositories and to one or more Information Services, at least thirty (30) but not more than sixty (60) days prior to the redemption; *provided, however*, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice will state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and will require that such Bonds be then surrendered for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

Conditional Notice of Redemption. Notwithstanding the foregoing, in the case of any optional redemption of the Bonds, the notice of redemption will state that the redemption is conditioned upon receipt by the Paying Agent of sufficient moneys to redeem the Bonds on the scheduled redemption date, and that the optional redemption shall not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Paying Agent. In the event that the Paying Agent does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, the Paying Agent will send written notice to the Owners, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes.

Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the District will execute and the Paying Agent will authenticate and deliver to the Owner thereof, at the expense of the District, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed. Bonds need not be presented for mandatory sinking fund redemptions.

Effect of Redemption. Notice having been given as described above, and the moneys for the redemption (including the interest to the applicable date of redemption) having been set aside for such purpose, the Bonds to be redeemed will become due and payable on such date of redemption. If on such redemption date, money for the redemption of all the Bonds to be redeemed, together with interest to such redemption date, will be held by the Paying Agent so as to be available therefor on such redemption date, and if notice of redemption thereof will have been given as aforesaid, then from and after such redemption date, interest with respect to the Bonds to be redeemed will cease to accrue and become payable. All money held by or on behalf of the Paying Agent for the redemption of Bonds will be held in trust for the account of the registered owners of the Bonds so to be redeemed. Bonds (or portions thereof), which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent, and sufficient moneys are held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds or portions thereof, then such Bonds will no longer be deemed outstanding and will be surrendered to the Paying Agent for cancellation.

Defeasance

Discharge of Resolution. Bonds may be paid by the District in any of the following ways, provided that the District also pays or causes to be paid any other sums payable under the Resolution by the District:

(i) by paying or causing to be paid the principal or redemption price of and interest on Bonds Outstanding, as and when the same become due and payable;

(ii) by depositing, in trust, at or before maturity, money or securities in the necessary amount (as provided in the Resolution) to pay or redeem Bonds Outstanding; or

(iii) by delivering to the Paying Agent, for cancellation by it, Bonds Outstanding.

then and in that case, at the election of the District (evidenced by a certificate of a District Representative, filed with the Paying Agent, signifying the intention of the District to discharge all such indebtedness and the Resolution), and notwithstanding that any Bonds shall not have been surrendered for payment, the Resolution and all covenants, agreements and other obligations of the District under the Resolution shall cease, terminate, become void and be completely discharged and satisfied, except only as provided in the Resolution. In such event, upon request of the District, the Paying Agent shall cause an accounting for such period or periods as may be requested by the District to be prepared and filed with the District and shall execute and deliver to the District all such instruments as may be necessary to evidence such discharge and satisfaction, and the Paying Agent shall pay over, transfer, assign or deliver to the District all moneys or securities or other property held by it pursuant to the Resolution which are not required for the payment or redemption of Bonds not theretofore surrendered for such payment or redemption.

Discharge of Liability on Bonds. Upon the deposit, in trust, at or before maturity, of money or securities in the necessary amount (as provided in the Resolution) to pay or redeem any Outstanding Bond (whether upon or prior to its maturity or the redemption date of such Bond), provided that, if such Bond is to be redeemed prior to maturity, notice of such redemption shall have been given as provided in the Resolution or provision satisfactory to the Paying Agent shall have been made for the giving of such notice, then all liability of the District in respect of such Bond shall cease and be completely discharged, except only that thereafter the Owner thereof shall be entitled only to payment of the principal of and interest on such Bond by the District, and the District shall remain liable for such payment, but only out of such money or securities deposited in trust with an escrow holder as aforesaid for such payment, provided further, however, that the provisions of the Resolution shall apply in all events.

The District may at any time surrender to the Paying Agent for cancellation by it any Bonds previously issued and delivered, which the District may have acquired in any manner whatsoever, and such Bonds, upon such surrender and cancellation, shall be deemed to be paid and retired.

Deposit of Money or Securities with Paying Agent. Whenever in the Resolution it is provided or permitted that there be deposited with or held in trust with an escrow holder money or securities in the necessary amount to pay or redeem any Bonds, the money or securities so to be deposited or held may include money or securities held by the Paying Agent in the funds and accounts established pursuant to the Resolution and shall be:

(i) lawful money of the United States of America in an amount equal to the principal amount of such Bonds and all unpaid interest thereon to maturity, except that, in the case of Bonds which are to be redeemed prior to maturity and in respect of which notice of such redemption shall have been given as provided in the Resolution or provision satisfactory to the Paying Agent will have been made for the giving of such notice, the amount to be deposited or held will be the principal amount or redemption price of such Bonds and all unpaid interest thereon to the redemption date; or

(ii) Federal Securities (not callable by the issuer thereof prior to maturity) the principal of and interest on which when due, in the opinion of a certified public accountant delivered to the District, will provide money sufficient to pay the principal or redemption price of and all unpaid interest to maturity, or to the redemption date, as the case may be, on the Bonds to be paid or redeemed, as such principal or redemption price and interest become due, provided that, in the case of Bonds which are to be redeemed prior to the maturity thereof, notice of such redemption will have been given provided in the Resolution or provision satisfactory to the Paying Agent shall have been made for the giving of such notice;

provided, in each case, that the Paying Agent shall have been irrevocably instructed (by the terms of the Resolution or by request of the District) to apply such money to the payment of such principal or redemption price and interest with respect to such Bonds.

"Federal Securities" means United States Treasury Bonds, bills or certificates of indebtedness or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

Payment of Bonds After Discharge of Resolution. Notwithstanding any provisions of the Resolution, any moneys held by an escrow holder in trust for the payment of the principal or redemption price of, or interest on, any Bonds and remaining unclaimed for one year after the principal of all of the Bonds has become due and payable (whether at maturity or upon call for redemption or by acceleration as provided in the Resolution), if such moneys were so held at such date, or one year after the date of deposit of such moneys if deposited after said date when all of the Bonds became due and payable, shall, upon request of the District, be repaid to the District free from the trusts created by the Resolution, and all liability of the escrow holder with respect to such moneys shall thereupon cease; *provided, however*, that before the repayment of such moneys to the District as aforesaid, the Paying Agent may (at the cost of the District) first mail to the Owners of all Bonds which have not been paid at the addresses shown on the registration books maintained by the Paying Agent a notice in such form as may be deemed appropriate by the Paying Agent, with respect to the Bonds so payable and not presented and with respect to the provisions relating to the repayment to the District of the moneys held for the payment thereof.

Registration, Transfer and Exchange of Bonds

So long as any of the Bonds remain outstanding, the District will cause the Paying Agent to maintain and keep at its principal office all books and records necessary for the registration, exchange and transfer of the Bonds as provided in the Resolution (the "Bond Register"). Subject to the provisions of the Resolution, the person in whose name a Bond is registered on the Bond Register will be regarded as the absolute owner of that Bond for all purposes of the Resolution. Payment of or on account of the principal of any Bond will be made only to or upon the order of that person; neither the District, nor the Paying Agent will be affected by any notice to the contrary, but the registration may be changed as provided in the Resolution. All such payments will be valid and effectual to satisfy and discharge the District's liability upon the Bonds, including interest, to the extent of the amount or amounts so paid.

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

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

In all cases of exchanged or transferred Bonds, the District will sign and the Paying Agent will authenticate and deliver Bonds in accordance with the provisions of the Resolution. All fees and costs of transfer will be paid by the requesting party. Those charges may be required to be paid before the procedure is begun for the exchange or transfer. All Bonds issued upon any exchange or transfer will be valid obligations of the District, evidencing the same debt, and entitled to the same security and benefit under the Resolution as the Bonds surrendered upon that exchange or transfer.

Any Bond surrendered to the Paying Agent for payment, retirement, exchange, replacement or transfer will be canceled by the Paying Agent. The District may at any time deliver to the Paying Agent for cancellation any previously authenticated and delivered Bonds that the District may have acquired in any manner whatsoever, and those Bonds will be promptly canceled by the Paying Agent. Written reports of the surrender and cancellation of Bonds will be made to the District by the Paying Agent. The canceled Bonds will be retained for a period of time, then returned to the District or destroyed by the Paying Agent as directed by the District.

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

Estimated Sources and Uses of Funds

The estimated sources and uses of funds in connection with the Bonds are as follows:

Sources of Funds:	
Principal Amount of Bonds	$40,000,000.00
Plus: Net Original Issue Premium	830,651.25
Total Sources of Funds	$40,830,651.25
Uses of Funds:	
Deposit to Building Fund	$39,855,000.00
Deposit to Interest and Sinking Fund	710,651.25
Costs of Issuance [(1)]	265,000.00
Total Uses of Funds	$40,830,651.25

(1) Includes the Underwriter's discount, the fees of the municipal advisor, bond counsel, disclosure counsel, the rating agency and other third party providers. Any excess in the Costs of Issuance Fund will be transferred to the District's Building Fund.

Financing Plan

The proceeds of sale of the Bonds, exclusive of any premium and accrued interest received, shall be deposited in the County Treasury to the credit of the Building Fund of the District. Any premium and accrued interest shall be deposited upon receipt in the Interest and Sinking Fund of the District within the County Treasury. All funds held in the Interest and Sinking Fund and in the Building Fund of the District shall be invested at the County Treasurer's discretion, pursuant to law and the investment policy of the County. The County Treasurer's Office neither monitors investments for arbitrage compliance, nor does it perform arbitrage calculations. The District shall maintain or cause to be maintained detailed records with respect to the applicable funds.

A portion of the proceeds of the Bonds will be retained by the Paying Agent in a costs of issuance account (the "Costs of Issuance Account") and used to pay a portion of the costs associated with the issuance of the Bonds.

Debt Service Schedule

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

Bond Year Ending August 1	Principal(1)	Interest(2)	Total
2018	$ 1,530,000.00	$ 1,178,749.31	$ 2,708,749.31
2019	1,000,000.00	1,432,675.00	2,432,675.00
2020	—	1,402,675.00	1,402,675.00
2021	—	1,402,675.00	1,402,675.00
2022	—	1,402,675.00	1,402,675.00
2023	—	1,402,675.00	1,402,675.00
2024	225,000.00	1,402,675.00	1,627,675.00
2025	—	1,395,925.00	1,395,925.00
2026	275,000.00	1,395,925.00	1,670,925.00
2027	305,000.00	1,384,925.00	1,689,925.00
2028	335,000.00	1,372,725.00	1,707,725.00
2029	370,000.00	1,355,975.00	1,725,975.00
2030	400,000.00	1,337,475.00	1,737,475.00
2031	—	1,317,475.00	1,317,475.00
2032	—	1,317,475.00	1,317,475.00
2033	—	1,317,475.00	1,317,475.00
2034	—	1,317,475.00	1,317,475.00
2035	1,070,000.00	1,317,475.00	2,387,475.00
2036	1,260,000.00	1,285,375.00	2,545,375.00
2037	1,450,000.00	1,247,575.00	2,697,575.00
2038	1,690,000.00	1,204,075.00	2,894,075.00
2039	1,905,000.00	1,147,037.50	3,052,037.50
2040	2,145,000.00	1,082,743.76	3,227,743.76
2041	2,380,000.00	1,010,350.00	3,390,350.00
2042	2,620,000.00	930,025.00	3,550,025.00
2043	2,855,000.00	841,600.00	3,696,600.00
2044	3,125,000.00	727,400.00	3,852,400.00
2045	3,370,000.00	602,400.00	3,972,400.00
2046	5,650,000.00	467,600.00	6,117,600.00
2047	6,040,000.00	241,600.00	6,281,600.00
TOTAL	$40,000,000.00	$35,242,905.57	$75,242,905.57

(1) Includes mandatory sinking fund installments.
(2) Interest on the Bonds is payable semiannually on each February 1 and August 1, commencing February 1, 2018.

See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION—District Debt—General Obligation Bonds for a table showing the combined debt service schedule with respect to the District's outstanding general obligation bonds.

PAYING AGENT

U.S. Bank National Association, San Francisco, California, will act as the paying agent for the Bonds (the "Paying Agent"). As long as DTC is the registered owner of the Bonds and DTC's book-entry method is used for the Bonds, the Paying Agent will send any notice of redemption or other notices to owners only to DTC. Any failure of DTC to advise any DTC Participant, or of any DTC Participant to notify any Beneficial Owner, of any such notice and its content or effect will not affect the validity or sufficiency of the proceedings relating to the redemption of the Bonds called for redemption or of any other action premised on such notice.

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

BOOK-ENTRY ONLY SYSTEM

The Depository Trust Company, New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. See APPENDIX G—BOOK-ENTRY SYSTEM.

THE DISTRICT

General Information

The District, located in the County, covers approximately 18 square miles, is located in the San Francisco Bay Area and serves Union City and southern portions of the City of Hayward. The District was created in 1965 and serves over 11,500 students who attend the District's 11 schools. The District consists of seven elementary schools, two middle schools, one comprehensive high school, one independent study site, one continuation high school and is a member of the Mission Valley Regional Occupational Program. In addition, the District offers limited federal funded programs through its Adult Education and operates seven child care centers through Kids First.

Board of Education and Administration

The District is governed by a five-member District Board, each member of which is elected to a four-year term. Elections for positions to the District Board are held every two years, alternating between two and three available positions.

District Board Member	Office	Current Term Expires (December)
Linda Canlas	President	2018
Sarabjit Cheema	Clerk	2018
Sharan Kaur	Board Member	2020
Lance Nishihira	Board Member	2020
Jeff Wang	Board Member	2020

The administrative staff of the District includes Superintendent Arlando Smith, Ed.D. and Chief Business Officer Annette Heldman.

SECURITY AND SOURCE OF PAYMENT FOR THE BONDS

The information in this section describes ad valorem property taxation, assessed valuation, and other measures of the tax base of the District. The Bonds are payable solely from ad valorem taxes levied and collected by the County on taxable property in the District. The District's General Fund is not a source for the repayment of the Bonds.

General

In order to provide sufficient funds for repayment of principal and interest when due on the Bonds, the Board of Supervisors of the County is empowered and is obligated to levy *ad valorem* taxes upon all property subject to taxation by the District, without limitation as to rate or amount (except as to certain personal property which is taxable at limited rates). Such taxes are in addition to other taxes levied upon property within the District, including the countywide tax of 1% of taxable value. When collected, the tax revenues will be deposited by the County in the District's Interest and Sinking Fund, which is required to be maintained by the County and to be used solely for the payment of general obligation bonds of the District.

Property Taxation System

The collection of property taxes is significant to the District and the Owners of the Bonds in two respects. First, the Board of Supervisors of the County will levy and collect *ad valorem* taxes on all taxable parcels within the District, which are pledged specifically to the repayment of the Bonds. Second, the general *ad valorem* property tax levy levied in accordance with Article XIIIA of the California Constitution and its implementing legislation is taken into account in connection with the State's Local Control Funding Formula ("LCFF") which determines the amount of funding received by the District from the State to operate the District's educational programs. The LCFF replaces revenue limit and most categorical program funding previously used to determine the amount of funding received by the District from the State with the LCFF which consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district's student demographic. See APPENDIX B--"DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION – Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System" below. As described below, the general *ad valorem* property tax levy and the additional *ad valorem* property tax levy pledged to repay the Bonds will be collected on the annual tax bills distributed by the County to the owners of parcels within the boundaries of the District.

The District received approximately 23.9% of its total general fund operating revenues from local property taxes in fiscal year 2016-17, excluding parcel tax revenues.

Local property taxation is the responsibility of various officers of the counties. For each school district located in a county, the county assessor computes the value of locally assessed taxable property. Based on the assessed value of property and the scheduled debt service on outstanding bonds in each year, the county auditor-controller computes the rate of tax necessary to pay such debt service, and presents the tax rolls (including rates of tax for all taxing jurisdictions in the county) to the county board of supervisors for approval. The county treasurer-tax collector prepares and mails tax bills to taxpayers and collects the taxes according to the approved tax rolls. In addition, the treasurer-tax collector, as *ex officio* treasurer of each school district located in the county, holds and invests school district funds, including taxes collected for payment of school bonds, and is charged with payment of principal and interest on such bonds when due. Taxes on property in a school district whose boundaries extend into more than one county are administered separately by the county in which the property is located. The State Board of Equalization also assesses certain special classes of property, as described later in this section.

Method of Property Taxation

Under Proposition 13, an amendment to the California Constitution adopted in 1978 that added Article XIIIA of the California Constitution, the county assessor's valuation of real property is established as shown on the fiscal year 1975-76 tax bill, or, thereafter, as the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. Assessed value of property may be increased annually to reflect inflation at a rate not to exceed 2% per year, or reduced to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction or in the event of declining property value caused by substantial damage, destruction, market forces or other factors. Because of these rules, real property that has been owned by the same taxpayer for many years can have an assessed value that is much lower than that of similar properties more recently sold, and may be lower than its own market value. Likewise, changes in ownership of property and reassessment of such property to market value commonly will lead to increases in aggregate assessed value even when the rate of inflation or consumer price index would not permit the full 2% increase on any property that has not changed ownership. See APPENDIX B-DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION.

Taxes are levied by the County for each fiscal year on taxable real and personal property which is situated in the County as of the preceding January 1. Real property which changes ownership or is newly constructed is revalued at the time the change in ownership occurs or the new construction is completed. The current year property tax rate will be applied to the reassessment, and the taxes will then be adjusted by a proration factor to reflect the portion of the remaining tax year for which taxes are due.

Local agencies and schools will share the growth of "base" sources from the tax rate area. Each year's growth allocation becomes part of each local agency's allocation in the following year. The availability of revenue from growth in the tax bases in such tax rate areas may be affected by the existence of redevelopment agencies (including their successor agencies) which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts $7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is supplemented by the State.

For assessment and tax 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 property and property (real or personal) for which there is a lien on real property sufficient, in the opinion of the county assessor, to secure payment of the taxes. All other property is "unsecured," and is assessed on the "unsecured roll." Secured property assessed by the State Board of Equalization is commonly identified for taxation purposes as "utility" property.

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of

10% attaches immediately 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 delinquent taxes and the delinquency penalty, plus costs and redemption penalty of one and one-half percent per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the County 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 p.m. on October 31, an additional penalty of one and one-half percent per month attaches to such taxes on the first day of each month until paid. A county 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 delinquent taxpayer.

Assessed Valuations

The assessed valuation of property in the District is established by the 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.

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. No reimbursement is made by the State for such exemptions. Both the general *ad valorem* property tax levy and the additional *ad valorem* levy for the Bonds are based upon the assessed valuation of the parcels of taxable property in the District. Property taxes allocated to the District are collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. The assessed valuation of each parcel of property is the same for both District and County taxing purposes. The valuation of secured property by the County Assessor is established as of January 1, and is subsequently equalized in September of each year.

The greater the assessed value of taxable property in the District, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on the Bonds. The table below shows the assessed valuation of taxable property in the District for the most recent fiscal years.

New Haven Unified School District
HISTORIC ASSESSED VALUATIONS
Fiscal Years 2009-10 through 2017-18

Fiscal Year	Local Secured	Utility	Unsecured	Total Valuation
2009-10	$ 8,435,921,790	$ 2,300,434	$ 622,305,085	$ 9,060,527,309
2010-11	8,399,286,127	2,414,628	571,271,421	8,972,972,176
2011-12	8,299,473,343	2,414,628	455,181,039	8,757,069,010
2012-13	8,391,386,151	2,414,628	497,187,296	8,890,988,075
2013-14	8,824,334,944	2,414,628	500,123,524	9,326,873,096
2014-15	9,331,791,713	2,268,380	523,043,078	9,857,103,171
2015-16	10,016,235,563	2,268,380	588,585,811	10,607,089,754
2016-17	10,519,997,010	2,268,380	595,069,052	11,117,334,442
2017-18	10,926,846,790	3,431,400	564,032,803	11,494,310,993

Source: California Municipal Statistics, Inc.

As indicated above, assessments may be adjusted during the course of the year when real property changes ownership or new construction is completed. Assessments may also be appealed by taxpayers seeking a reduction as a result of economic and other factors beyond the District's control, such as a general market decline in land values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by natural or manmade disaster, such as earthquake, flood, fire, toxic dumping, etc. When necessitated by changes in assessed value in the course of a year, taxes are pro-rated for each portion of the tax year.

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

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

In addition, Article XIIIA of the State Constitution provides that the full cash value base of real property used in determining taxable value may be adjusted from year to year to reflect the inflationary rate, not to exceed a 2% increase for any given year, or may be reduced to reflect a reduction in the consumer price index or comparable local data. This measure is computed on a calendar year basis.

Risk of Decline in Property Values; Fire; Earthquake Risk. Property values could be reduced by factors beyond the District's control, including fire, earthquake and a depressed real estate market due to general economic conditions in the County, the region and the State.

Other possible causes for a reduction in assessed values include the complete or partial destruction of taxable property caused by other natural or manmade disasters, such as flood, fire, drought, toxic dumping, acts of terrorism, etc., or reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes). Lower assessed values could necessitate a corresponding increase in the annual tax rate to be levied to pay the principal of and interest on the Bonds. Issuance of additional bonds in the future might also cause the tax rate to increase.

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

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

The following table shows the 2017-18 assessed valuation of each jurisdiction within the boundaries of the District:

New Haven Unified School District
ASSESSED VALUATION BY JURISDICTION[(1)]
Fiscal Year 2017-18

Jurisdiction	Assessed Value in District	% of District	Assessed Value of Jurisdiction	% of Jurisdiction In District
City of Hayward	$ 1,613,481,938	14.04%	$ 20,833,805,946	7.74%
City of Union City	9,880,829,055	85.96	9,905,442,725	99.75
Total District	11,494,310,993	100.00		
Alameda County	11,494,310,993	100.00	271,029,290,743	4.24

Source: California Municipal Statistics, Inc.
(1) Before deduction of redevelopment incremental valuation.

The following table gives a distribution of taxable real property located in the District by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

New Haven Unified School District
ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2017-18

	2017-18 Assessed Valuation[(1)]	% of Total	No. of Parcels	% of Total
Non Residential:				
Rural/Undeveloped	$ 18,801,922	0.17%	58	0.30%
Commercial/Office	613,377,227	5.61	205	1.05
Vacant Commercial	1,896,636	0.02	13	0.07
Industrial	2,161,006,137	19.78	429	2.20
Vacant Industrial	36,030,756	0.33	40	0.21
Government/Social/Institutional	26,941,739	0.25	43	0.22
Subtotal Non-Residential	$2,858,054,417	26.16%	788	4.04%
Residential:				
Single Family Residence	6,505,977,488	59.54%	14,591	74.86%
Condominium/Townhouse	1,023,055,593	9.36	3,429	17.59
Mobile Home	13,123,155	0.12	244	1.25
Mobile Home Park	11,716,342	0.11	4	0.02
2-4 Residential Units	102,190,178	0.94	281	1.44
5+ Residential Units/Apartments	401,998,011	3.68	53	0.27
Vacant Residential	10,731,606	0.10	101	0.52
Subtotal Residential	8,068,792,373	73.84	18,703	95.96
Total	$10,926,846,790	100.00%	19,491	100.00%

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

The following table shows the assessed valuations of single-family homes for the District.

New Haven Unified School District
ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2017-18

	No. of Parcels	2017-18 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	14,591	$ 6,505,977,488	$ 445,890	$ 419,477

2017-18 Assessed Valuation	No. of Parcels[(1)]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $49,999	200	1.371%	1.371%	$ 7,132,793	0.110%	0.110%
$50,000 - $99,999	1,198	8.211	9.581	91,656,285	1.409	1.518
$100,000 - $149,999	738	5.058	14.639	93,141,353	1.432	2.950
$150,000 - $199,999	786	5.387	20.026	138,328,162	2.126	5.076
$200,000 - $249,999	955	6.545	26.571	216,578,467	3.329	8.405
$250,000 - $299,999	1,089	7.464	34.035	300,166,317	4.614	13.019
$300,000 - $349,999	1,002	6.867	40.902	324,662,059	4.990	18.009
$350,000 - $399,999	963	6.600	47.502	360,737,632	5.545	23.554
$400,000 - $449,999	970	6.648	54.150	412,581,741	6.342	29.895
$450,000 - $499,999	1,069	7.326	61.476	507,542,582	7.801	37.697
$500,000 - $549,999	981	6.723	68.200	513,885,374	7.899	45.595
$550,000 - $599,999	794	5.442	73.641	455,428,557	7.000	52.595
$600,000 - $649,999	652	4.469	78.110	407,223,868	6.259	58.855
$650,000 - $699,999	628	4.304	82.414	423,995,066	6.517	65.372
$700,000 - $749,999	547	3.749	86.163	396,876,035	6.100	71.472
$750,000 - $799,999	510	3.495	89.658	394,275,757	6.060	77.532
$800,000 - $849,999	373	2.556	92.214	307,575,631	4.728	82.260
$850,000 - $899,999	303	2.077	94.291	264,897,565	4.072	86.331
$900,000 - $949,999	205	1.405	95.696	189,107,822	2.907	89.238
$950,000 - $999,999	152	1.042	96.738	147,735,805	2.271	91.509
$1,000,000 and greater	476	3.262	100.000	552,448,617	8.491	100.000
Total	14,591	100.000%		$6,505,977,488	100.000	

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

Tax Rates

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

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

The table below summarizes the total *ad valorem* tax rates levied by all taxing entities in the principal Tax Rate Area ("TRA") within the District for the past five fiscal years. TRA 15-001 comprises approximately 11% of the total assessed value of property in the District.

New Haven Unified School District
TYPICAL *AD VALOREM* TAX RATES

Total Tax Rates (TRA 15-001 – 2017-18 Assessed Valuation: $1,248,778,273)

	2013-14	2014-15	2015-16	2016-17	2017-18
General Tax Rate(1)	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
New Haven Unified School District	0.1377	0.1428	0.1580	0.1592	0.1630
Chabot-Las Positas Community College District	0.0214	0.0217	0.0198	0.0246	0.0445
Washington Township Healthcare District	0.0291	0.0171	0.0313	0.0256	0.0243
Bay Area Rapid Transit District	0.0075	0.0045	0.0026	0.0080	0.0084
East Bay Regional Park	0.0078	0.0085	0.0067	0.0032	0.0021
Alameda County Water District	0.0066	0.0093	0.0075	0.0080	0.0082
Total	1.2101%	1.2039%	1.2259%	1.2286%	1.2505%

Source: California Municipal Statistics, Inc.
(1) Maximum rate for purposes other than paying debt service in accordance with Article XIIIA of the State Constitution.

Tax Levies and Delinquencies

Beginning in 1978-79, Article XIIIA and its implementing legislation shifted the function of property taxation primarily to the counties, except for levies to support prior-voted debt, and prescribed how levies on county-wide property values are to be shared with local taxing entities within each County.

The following table reflects the historical secured tax levy and year-end delinquencies for general obligation bonds of the District for the most recent fiscal years.

New Haven Unified School District
SECURED TAX CHARGE AND DELINQUENCY
Fiscal Years 2009-10 through 2015-16

Fiscal Year	Secured Tax Charge(1)	Amount Delinquent as of June 30	% Delinquent as of June 30
2009-10	$10,986,520	$308,600	2.81%
2010-11	9,159,570	239,097	2.61
2011-12	10,658,445	158,529	1.49
2012-13	11,471,576	112,052	0.98
2013-14	11,981,912	113,487	0.95
2014-15	13,213,907	138,192	1.05
2015-16 (2)	15,616,269	347,254	2.22

Source: California Municipal Statistics, Inc.
(1) Bond debt service levy.
(2) Most recent available data.

Teeter Plan

The County Board approved implementation of the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan") pursuant to sections 4701 through 4717 of the State's Revenue & Taxation Code. This action of the County Board came pursuant to the endorsement of the Teeter Plan by the taxing districts of the County. The Teeter Plan guarantees distribution of 100 percent of the ad valorem taxes and assessments levied to the taxing entities within the County, with the County retaining all penalties and interest affixed upon delinquent properties and redemptions of subsequent collections.

The cash position of the Treasurer is protected by a special fund, known as the "Tax Loss Reserve Fund," which accumulates moneys from interest and penalty collections. In each fiscal year, the Tax Loss Reserve Fund is required to be funded to the amount of delinquent taxes plus one percent of that year's tax levy. Amounts exceeding the amount required to be maintained in the Tax Loss Reserve Fund may be credited to the County's general fund. Amounts required to be maintained in the Tax Loss Reserve Fund may be drawn on to the extent of the amount of uncollected taxes credited to each agency in advance of receipt.

The Teeter Plan is to remain in effect unless the County Board orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1), the County Board receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The County Board may also, after holding a public hearing on the matter, discontinue the procedures with respect to any tax levying agency or assessment levying agency in the County if the rate of secured tax delinquency in that agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured rolls in that agency.

The Teeter Plan applies to the 1% general purpose tax levy. Whether the Teeter Plan is also applied to other tax levies for local agencies, such as the tax levy for general obligation bonds of a local agency, including a school district, varies by county.

THE COUNTY DOES NOT APPLY THE TEETER PLAN TO TAXES LEVIED FOR REPAYMENT OF SCHOOL DISTRICT GENERAL OBLIGATION BONDS. Consequently, the District will receive ad valorem property taxes to pay debt service on the Bonds based on actual collections (including penalties and interest) rather than the amount levied.

Largest Property Owners

Concentration of Property Ownership. Based on fiscal year 2017-18 locally assessed taxable valuations, the top twenty taxable property owners in the District represent approximately 10.51% of the secured fiscal year 2017-18 taxable value.

The following table shows the 20 largest owners of taxable property in the District as determined by secured assessed valuation in fiscal year 2017-18.

New Haven Unified School District
LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2017-18

	Property Owner	Primary Land Use	2017-18 Assessed Valuation	% of Total(1)
1.	Rreef America REIT II Corp.	Industrial	$ 92,525,365	0.85%
2.	Avalon Union City LP	Apartments	82,519,357	0.76
3.	Catellus Development Corporation	Industrial	78,924,227	0.72
4.	Wesco IV LLC	Apartments	74,718,274	0.68
5.	PSB Northern California Industrial Portfolio	Industrial	71,746,483	0.66
6.	Dyer Triangle LLC	Shopping Center	71,547,858	0.65
7.	Fairfield Greenhaven LLC	Apartments	69,979,845	0.64
8.	Impax Laboratories Inc.	Industrial	64,807,133	0.59
9.	Terreno Park Union City LLC	Industrial	64,181,730	0.59
10.	Union LLC	Industrial	60,190,811	0.55
11.	Teachers Insurance & Annuity Association	Industrial	60,112,287	0.55
12.	Woodstock Bowers LLC	Industrial	56,967,982	0.52
13.	Harsch Investment Properties LLC	Industrial	49,091,107	0.45
14.	Pappas Union City No. 2 LP	Shopping Center	46,380,810	0.42
15.	BPP Pacific Industrial CA REIT Owner 2	Industrial	41,062,700	0.38
16.	Union Square Investments LP	Shopping Center	34,657,245	0.32
17.	UC Block 3 Associates LP	Apartments	33,570,000	0.31
18.	JCC California Properties LLC	Industrial	33,407,532	0.31
19.	US Pipe Holdings Corporation	Industrial	31,231,539	0.29
20.	Target Corporation	Commercial	30,484,342	0.28
	Total Top 20		$1,148,106,627	10.51%

Source: California Municipal Statistics, Inc.
(1) 2017-18 Local secured assessed valuation: $10,926,846,790.

Direct and Overlapping Debt

Set forth on the following page is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith.

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

The first column in the table names each public agency which has outstanding debt as of September 1, 2017, and whose territory overlaps the District in whole or in part. The second column shows the percentage of each overlapping agency's assessed value located within the boundaries of the District. This percentage, multiplied by the total outstanding debt of each overlapping agency (which is not shown in the table) produces the amount shown in the third column, which is the apportionment of each overlapping agency's outstanding debt to taxable property in the District.

New Haven Unified School District
STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT

2017-18 Assessed Valuation: $11,494,310,993

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable		Debt 9/1/17
Bay Area Rapid Transit District	1.721%	(1)	$ 14,418,882
Chabot-Las Positas Community College District	9.127	(1)	48,701,216
Ohlone Community College District	1.881		7,306,395
New Haven Unified School District	**100.000**		**201,864,413**(2)
Washington Township Healthcare District	16.497		54,840,152
East Bay Regional Park District	2.654	(1)	3,038,565
Hayward Area Recreation and Park District	1.300		1,625,000
City of Union City Community Facilities District	100.000		4,840,000
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT			336,634,623
OVERLAPPING GENERAL FUND DEBT:			
Alameda County General Fund Obligations	4.241		$36,334,449
Alameda County Pension Obligation Bonds	4.241		1,175,584
Alameda-Contra Costa Transit District Certificates of Participation	1.190	(1)	164,161
City of Hayward General Fund Obligations	7.745		7,048,277
City of Union City Pension Obligation Bonds	99.752		15,723,881
TOTAL OVERLAPPING GENERAL FUND DEBT			60,446,352
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):			123,944,584
COMBINED TOTAL DEBT			521,025,559(3)

Ratios to 2017-18 Assessed Valuation:
Direct Debt ($201,864,413)... 1.76%
Total Direct and Overlapping Tax and Assessment Debt 2.93%
Combined Total Debt... 4.53%

Ratio to Redevelopment Incremental Valuation ($2,657,540,929):
Total Overlapping Tax Increment Debt 4.66%

Source: California Municipal Statistics, Inc.
(1) Based on 2016-17 ratios.
(2) Excludes Bonds to be sold.
(3) Excludes tax and revenue anticipation notes, revenue, mortgage revenue and non-bonded capital lease obligations.

Bonding Capacity

As a unified school district, the District may issue bonds in an amount up to 2.50% of the assessed valuation of taxable property within its boundaries. Based on the fiscal year 2017-18 assessment roll, the District's gross bonding capacity is approximately $287.4 million, and its net bonding capacity is approximately $85.5 million (taking into account current outstanding debt before issuance of the Bonds). Refunding bonds may be issued without regard to this limitation however, once issued, the outstanding principal of any refunding bonds is included when calculating the District's bonding capacity.

INVESTMENT OF DISTRICT FUNDS

In accordance with Section 41001 of the California Education Code, each California public school district maintains substantially all of its operating funds in the county treasury of the county in which it is located, and each county treasurer-tax collector serves as ex officio treasurer for those school districts located within the county. Each treasurer-tax collector has the authority to invest school district funds held in the county treasury. Generally, the treasurer-tax collector pools county funds with school district funds and funds from certain other public agencies and invests the cash. These pooled funds are carried at cost. Interest earnings are accounted for on either a cash or accrual basis and apportioned to pool participants on a regular basis.

Each treasurer-tax collector is required to invest funds, including those pooled funds described above, in accordance with Section 53601 *et seq.* of the California Government Code. In addition, each treasurer-tax collector is required to establish an investment policy which may impose further limitations beyond those required by the California Government Code. A copy of the County investment policy and periodic reports on the County investment pool are available from the Treasurer-Tax Collector, Alameda County, 1221 Oak Street Room 131, Oakland, California, 94612, Telephone: (510) 272-6800. It is not intended that such information be incorporated into this Official Statement by such references. Certain information concerning the County's pooled investment portfolio as of June 30, 2017, is included here in APPENDIX D—COUNTY INVESTMENT REPORT.

LEGAL MATTERS

Possible Limitations on Remedies; Bankruptcy

General. Following is a discussion of certain considerations relating to potential bankruptcies of school districts in California. It is not an exhaustive discussion of the potential application of bankruptcy law to the District. State law contains a number of safeguards to protect the financial solvency of school districts. See APPENDIX B—DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION. If the safeguards are not successful in preventing a school district from becoming insolvent, the State Superintendent of Public Instruction (the "State Superintendent"), operating through an administrator appointed by the State Superintendent, may be authorized under State law to file a petition under Chapter 9 of the United States Bankruptcy Code (the "Bankruptcy Code") on behalf of a district for the adjustment of its debts, assuming that such district meets certain other requirements contained in the Bankruptcy Code necessary for filing such a petition. School districts under current State law are not themselves authorized to file a bankruptcy proceeding, and they are not subject to involuntary bankruptcy.

Bankruptcy courts are courts of equity and as such have broad discretionary powers. If the District were to become the debtor in a proceeding under Chapter 9 of the Bankruptcy Code, the parties to the proceedings may be prohibited from taking any action to collect any amount from the District (including ad valorem tax revenues) or to enforce any obligation of the District, without the bankruptcy court's permission. In such a proceeding, as part of its plan of adjustment in bankruptcy, the District may be able to alter the priority, interest rate, principal amount, payment terms, collateral, maturity dates, payment sources, covenants (including tax-related covenants), and other terms or provisions of the Bonds and other transaction documents related to the Bonds, if the bankruptcy court were to determine that the alterations were fair and equitable. In addition, in such a proceeding, as part of such a plan, the District may be able to eliminate the obligation of the County to raise taxes if necessary to pay the Bonds. There also may be other possible effects of a bankruptcy of the District that could result in delays or reductions in payments on the Bonds. Moreover, regardless of any specific adverse determinations in any District bankruptcy proceeding, a District bankruptcy proceeding could have an adverse effect on the liquidity and market price of the Bonds.

As stated above, if a school district were to go into bankruptcy, the bankruptcy petition would be filed under Chapter 9 of the Bankruptcy Code. Chapter 9 provides that it does not limit or impair the power of a state to control, by legislation or otherwise, a municipality of or in such state in the exercise of the political or governmental powers of such municipality, including expenditures for such exercise. For purposes of the language of Chapter 9, a school district is a municipality. State law provides that the ad valorem taxes levied to pay the principal and interest on the Bonds shall be used for the payment of principal and interest of the District's general obligation bonds and for no other purpose. If this restriction on the expenditure of such ad valorem taxes is respected in a bankruptcy case, then the ad valorem tax revenue could not be used by the District for any purpose other than to make payments on the Bonds. It is possible, however, that a bankruptcy court could conclude that the restriction should not be respected.

Statutory Lien. Pursuant to Senate Bill 222 (2015) ("SB 222") that became effective on January 1, 2016, all general obligation bonds issued by local agencies in California, including the Bonds, will be secured by a statutory lien on all revenues received pursuant to the levy and collection of the tax. SB 222 provides that the lien will automatically arise, without the need for any action or authorization by the local agency or its governing board, and will be valid and binding from the time the bonds are executed and delivered. Although a statutory lien would not be automatically terminated by the filing of a Chapter 9 bankruptcy petition by the District, the automatic stay provisions of the Bankruptcy Code would apply and payments that become due and owing on the Bonds during the pendency of the Chapter 9 proceeding could be delayed unless the Bonds are determined to be secured by a pledge of "special revenues" within the meaning of the Bankruptcy Code and the pledged ad valorem taxes are applied to pay the Bonds in a manner consistent with the Bankruptcy Code.

Special Revenues. If the ad valorem tax revenues that are pledged to the payment of the Bonds (see "THE BONDS – Security") are determined to be "special revenues" within the meaning of the Bankruptcy Code, then the application in a manner consistent with the Bankruptcy Code of the pledged ad valorem revenues that are collected after the date of the bankruptcy filing should not be subject to the automatic stay. "Special revenues" are defined to include, among others, taxes specifically levied to finance one or more projects or systems of the debtor, but excluding receipts from general property, sales, or income taxes levied to finance the general purposes of the debtor. The District has specifically pledged the ad valorem taxes for payment of the Bonds. Additionally, the ad valorem taxes levied for payment of the Bonds are permitted under the State Constitution only where either (i) the applicable bond proposition is approved by 55% of the voters and such proposition contains a specific list of school facilities projects, or (ii) if the applicable bond proposition is approved by two-thirds of voters and such bonds must be issued for the acquisition or improvement of real property. Because State law prohibits the use of the tax proceeds for any purpose other than payment of the bonds and the bond proceeds can only be used to fund the acquisition or improvement of real property and other capital expenditures included in the proposition, such tax revenues appear to fit the definition of special revenues. However, there is no binding judicial precedent dealing with the treatment in bankruptcy proceedings of ad valorem tax revenues collected for the payments of bonds in California, so no assurance can be given that a bankruptcy court would not hold otherwise.

In addition, even if the ad valorem tax revenues are determined to be "special revenues," the Bankruptcy Code provides that special revenues can be applied to necessary operating expenses of the project or system, before they are applied to other obligations. This rule applies regardless of the provisions of the transaction documents. Thus, a bankruptcy court could determine that the District is entitled to use the ad valorem tax revenues to pay necessary operating expenses of the District and its schools, before the remaining revenues are paid to the owners of the Bonds.

Possession of Tax Revenues; Remedies. If the County or the District goes into bankruptcy and has possession of tax revenues (whether collected before or after commencement of the bankruptcy), and if the County or the District, as applicable, does not voluntarily pay such tax revenues to the owners of the Bonds, it is not clear what procedures the owners of the Bonds would take or how effective they would be in obtaining possession of such tax revenues.

Opinion of Bond Counsel Qualified by Reference to Bankruptcy, Insolvency and Other Laws Relating to or Affecting Creditor's Rights. The proposed form of opinion of Bond Counsel, attached hereto as Appendix E, is qualified by reference to bankruptcy, insolvency and other laws relating to or affecting creditor's rights.

Legal Opinions

The proceedings in connection with the issuance of the Bonds are subject to the approval as to their legality of Quint & Thimmig LLP, Larkspur, California, bond counsel for the District. Certain legal matters will also be passed upon for the District by Quint & Thimmig LLP, Larkspur, California, as disclosure counsel, and for the Underwriter by Kutak Rock LLP, Denver, Colorado. The fees of bond counsel, disclosure counsel and counsel to the Underwriter are contingent upon the issuance and delivery of the Bonds.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the District's compliance with the above referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Larkspur, California, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinions, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax exempt interest, including interest on the Bonds.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the "Issue Price") for the Bonds is the price at which a substantial amount of the Bonds is first sold to the public. The Issue Price of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the cover page hereof.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax exempt bond. The amortized bond premium is treated as a reduction in the tax exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bonds. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bonds.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the "Service") has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bond owners may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

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

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in APPENDIX E—FORM OF OPINION OF BOND COUNSEL.

MUNICIPAL ADVISOR

Isom Advisors, a Division of Urban Futures, Inc., Walnut Creek, California ("Isom"), is an independent financial advisory firm registered as a "Municipal Advisor" with the Securities Exchange Commission and Municipal Securities Rulemaking Board. Isom does not underwrite, trade or distribute municipal or other public securities. Isom has assisted the District in connection with the planning, structuring, sale and issuance of the Bonds. Isom is not obligated to undertake, and has not undertaken to make, an independent verification of or to assume responsibilities for the accuracy, completeness or fairness of the information contained in this Official Statement not provided by Isom. The fees of Isom in respect to the Bonds are contingent upon their sale and delivery.

CONTINUING DISCLOSURE

The District has covenanted for the benefit of holders and Beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than March 31 after the end of the District's fiscal year (the current end of the District's fiscal year is on June 30), commencing with the report for the 2016-17 fiscal year, and to provide notices of the occurrence of certain events listed in the District's Continuing Disclosure Certificate, the form of which is in APPENDIX F—FORM OF CONTINUING DISCLOSURE CERTIFICATE. The Annual Report and notices of listed events will be filed by the District with the Municipal Securities Rulemaking Board (the "MSRB"), by posting on the MSRB's Electronic Municipal Market Access or "EMMA" system (website: www.emma.msrb.org). These continuing disclosure covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5).

The District has existing disclosure undertakings that have been made pursuant to the Rule in connection with other bond issuances. In the previous five years, the District has filed all of its annual reports in a timely manner; however, the annual reports for the year ended June 30, 2012, and June 30, 2013, did not contain certain tax rate data as required by certain continuing disclosure certificates. This information has been subsequently filed. In addition, due to administrative errors, annual reports for years ended June 30, 2015, and June 30, 2016, were not properly linked to all outstanding CUSIPs. These administrative errors have been corrected. Material event notices were not all filed on a timely basis in response to changes to the credit ratings of bond insurance companies that insured certain of the District's obligations. Remedial filings of such ratings changes have been made. Identification of the foregoing instances of non-compliance is not intended and should not be construed as a representation that such instances are material. The District has retained Isom as dissemination agent, including for the Bonds.

LEGALITY FOR INVESTMENT IN CALIFORNIA

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

ABSENCE OF MATERIAL LITIGATION

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

RATING

Moody's Investors Service ("Moody's"), has assigned the rating of "Aa3" to the Bonds. Such rating reflects only the view of Moody's and any desired explanation of the significance of such rating should be obtained from Moody's. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by Moody's if, in the judgment of Moody's, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

The District has covenanted in the Continuing Disclosure Certificate to file on the EMMA website notices of any rating changes on the Bonds. See APPENDIX F—FORMS OF CONTINUING DISCLOSURE CERTIFICATES. Notwithstanding such covenant, information relating to rating changes on the Bonds may be publicly available from Moody's prior to such information being provided to the District and prior to the date the District is obligated to file a notice of a rating change on EMMA. Purchasers of the Bonds are directed to Moody's, its website and official media outlet for the most current rating changes with respect to the Bonds after the initial issuance of the Bonds.

UNDERWRITING

The Bonds are being purchased by Morgan Stanley & Co. LLC (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a purchase price of $40,710,651.25 being equal to the principal amount of the Bonds of $40,000,000.00, plus a net original issue premium of $830,651.25, less an Underwriter's discount of $120,000.00. The Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in said agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page hereof. The offering prices may be changed from time to time by the Underwriter.

The Underwriter has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

The Underwriter and its respective 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 respective 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 respective 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 respective affiliates may make a market in credit default swaps with respect to municipal securities in the future. The Underwriter and its respective affiliates may also communicate independent investment recommendations, market color or trading ideas and publish independent research views in respect of this securities offering or other offerings of the District.

ADDITIONAL INFORMATION

Quotations from and summaries and explanations of the Bonds, the Resolution, the Continuing Disclosure Certificate of the District and the constitutional provisions, statutes and other documents referenced herein, do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

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

EXECUTION

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

By /s/ Arlando Smith, Ed.D.
Arlando Smith, Ed.D.,
Superintendent

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APPENDIX A

GENERAL, ECONOMIC AND DEMOGRAPHIC INFORMATION RELATING TO THE CITY OF UNION CITY AND THE COUNTY

While the economics of the City and County and surrounding region influence the economics within the District, only property within the District is subject to an unlimited ad valorem tax levy to pay debt service on the Bonds.

Introduction

Alameda County (the "County") is located in the East San Francisco Bay Area of the State of California. The County's seat is Oakland. The County was formed on March 25, 1853 from a large portion of Contra Costa County and a smaller portion of Santa Clara County. The County has a total area of 821 square miles (2,130 km^2), of which 739 square miles (1,910 km^2) is land and 82 square miles (210 km^2) (10.0%) is water.

The San Francisco Bay borders the County on the west, and the City and County of San Francisco, California has a small land border with the City of Alameda due to land filling. The crest of the Berkeley Hills form part of the County's northeastern boundary, and reaches into the center of the County. The Livermore Valley lies in the eastern part of the County.

The City of Union City (the "City") is a suburb in the San Francisco Bay Area and is located in the County approximately 30 miles from the City of San Francisco and 20 miles north of the City of San Jose. The City was incorporated on January 13, 1959. The City has a total area of 19 square miles (49 km^2), all land. The City has no bay frontage.

Population

The table below summarizes population of the City of Union City, Alameda County, and California for the last five years.

CITY OF UNION CITY, ALAMEDA COUNTY AND CALIFORNIA
Population

Year	City of Union City	Alameda County	California
2013	71,480	1,567,091	38,238,492
2014	72,056	1,588,348	38,572,211
2015	72,774	1,611,318	38,915,880
2016	73,010	1,629,233	39,189,035
2017	73,452	1,645,359	39,523,613

Source: California Department of Finance, E-4 Population Estimate for Cities, Counties, and the State, 2011-2017, with 2010 Census Benchmark.

Employment

The following table summarizes the historical numbers of workers by industry in the Oakland Hayward Berkeley MD (which covers Alameda County) for the last five years.

OAKLAND HAYWARD BERKELEY MD
(ALAMEDA COUNTY)
Labor Force and Industry Employment
Annual Averages by Industry

	2012	2013	2014	2015	2016[1]
Total, All Industries	1,010,400	1,039,500	1,064,800	1,100,200	1,136,100
Total Farm	1,500	1,400	1,300	1,200	1,300
Mining and Logging	900	900	800	900	900
Construction	52,000	56,400	58,600	62,800	67,500
Manufacturing	79,900	80,100	82,800	87,500	89,900
Wholesale Trade	43,700	45,200	46,200	47,600	49,000
Retail Trade	104,700	108,300	110,500	113,100	115,000
Transportation, Warehousing & Utilities	32,300	32,900	35,000	37,400	38,700
Information	22,900	22,700	23,000	24,900	26,400
Financial Activities	51,400	53,300	54,100	55,500	57,300
Professional & Business Services	165,400	170,400	173,500	176,600	180,800
Educational & Health Services	164,700	170,500	173,100	178,600	184,900
Leisure & Hospitality	91,800	97,200	102,100	106,600	111,400
Other Services	36,400	37,000	37,500	38,100	39,200
Government	162,800	163,300	166,500	169,400	173,800

Source: California Employment Development Department, based on March 2017 benchmark.
Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding.
(1) Last available full year data.

The following tables summarize historical employment and unemployment for Alameda County, the State of California and the United States for the last five years.

ALAMEDA COUNTY, CALIFORNIA, and UNITED STATES
Civilian Labor Force, Employment, and Unemployment
(Annual Averages)

Year	Area	Labor Force	Employment	Unemployment	Unemployment Rate (1)
2012	Alameda County	778,300	708,600	69,700	9.0%
	California	18,554,800	16,630,100	1,924,700	10.4
	United States	154,975,000	142,469,000	12,506,000	8.1
2013	Alameda County	783,100	725,000	58,000	7.4
	California	18,671,600	17,002,900	1,668,700	8.9
	United States	155,389,000	143,929,000	11,460,000	7.4
2014	Alameda County	812,000	764,300	47,700	5.9
	California	18,811,400	17,397,100	1,414,300	7.5
	United States	155,922,000	146,305,000	9,617,000	6.2
2015	Alameda County	824,800	785,700	39,100	4.7
	California	18,981,800	17,798,600	1,183,200	6.2
	United States	157,130,000	148,834,000	146,411,000	5.3
2016(2)	Alameda County	837,900	802,400	35,500	4.2
	California	19,102,700	18,065,000	1,037,700	5.4
	United States	159,187,000	151,436,000	148,976,000	4.9

Sources: California Employment Development Department, Monthly Labor Force Data for Counties, Annual Averages 2010-2016 and US Bureau of Labor Statistics.

(1) Data not seasonally adjusted.

(2) Last available full year data.

Major Employers

The table below sets forth the principal employers of the County in 2016.

ALAMEDA COUNTY
2016 Major Employers

Employer	# of Employees	% of Total
Kaiser Permanente Medical Group Inc.	28,481	3.59%
Safeway Inc.	11,553	1.46
County of Alameda	8,690	1.10
Chevron Corporation	6,244	0.79
John Muir Health	6,181	0.78
Wells Fargo Bank	5,326	0.67
PG&E Corporation	5,154	0.65
UPS	4,980	0.63
Lam Research Corporation	4,500	0.57
Alta Bates Summit Medical Center	4,122	0.52
Total Top 10	85,231	10.74%

Source: Alameda County 2015-16 CAFR.

Construction Activity

The following table reflects the five-year history of building permit valuation for the City of Union City and Alameda County:

CITY OF UNION CITY
Building Permits and Valuation
(Dollars in Thousands)

	2012	2013	2014	2015	2016
Permit Valuation:					
New Single-family	$ 1,200	-	-	$23,173	$ 712
New Multi-family	5,950	-	$ 600	24,521	-
Res. Alterations/Additions	5,476	$ 4,524	5,626	4,717	5,238
Total Residential	12,626	4,524	6,226	52,412	5,951
Total Nonresidential	9,590	38,301	33,936	25,735	14,368
Total All Building	$22,217	$42,826	$40,163	$78,147	$20,319
New Dwelling Units:					
Single Family	2	-	-	46	2
Multiple Family	57	-	2	243	-
Total	59	-	2	289	2

Source: Construction Industry Research Board: Building Permit Summary – California Cities and Counties Data for Calendar Years 2012-2016.
Note: Totals may not add due to independent rounding.

ALAMEDA COUNTY
Building Permits and Valuation
(Dollars in Thousands)

	2012	2013	2014	2015	2016
Permit Valuation:					
New Single-family	$ 372,939	$ 451,279	$ 400,498	$ 576,948	$ 791,891
New Multi-family	343,669	300,514	392,331	456,361	497,341
Res. Alterations/Additions	235,264	227,675	325,493	344,975	466,239
Total Residential	951,873	979,470	1,118,323	1,378,285	1,755,471
Total Nonresidential	463,431	1,650,777	1,026,771	1,146,437	1,332,034
Total All Building	$1,415,305	$2,630,247	$2,145,094	$2,524,722	$3,087,506
New Dwelling Units:					
Single Family	1,119	1,339	1,076	1,671	2,348
Multiple Family	1,508	2,023	2,048	3,370	3,171
Total	2,627	3,362	3,124	5,041	5,519

Source: Construction Industry Research Board: Building Permit Summary – California Cities and Counties Data for Calendar Years 2012-2016.
Note: Totals may not add due to independent rounding.

Median Household Income

The following table summarizes the total effective buying income and the median household effective buying income for the City of Union City, Alameda County, the State of California and the United States for the five most recent years.

CITY OF UNION CITY, ALAMEDA COUNTY,
CALIFORNIA and UNITED STATES
Effective Buying Income

Year	Area	Total Effective Buying Income (000's Omitted)	Median Household Effective Buying Income
2012	City of Union City	$ 1,706,405	$ 67,280
	Alameda County	43,677,855	55,396
	California	864,088,827	47,307
	United States	6,737,867,730	41,358
2013	City of Union City	1,694,238	65,837
	Alameda County	43,770,518	57,467
	California	858,676,636	48,340
	United States	6,982,757,379	43,715
2014	City of Union City	1,856,650	69,552
	Alameda County	47,744,408	60,575
	California	901,189,699	50,072
	United States	7,357,153,421	45,448
2015	City of Union City	1,970,748	70,407
	Alameda County	52,448,661	64,030
	California	981,231,666	53,589
	United States	7,757,960,399	46,738
2016	City of Union City	2,099,592	74,907
	Alameda County	56,091,066	67,631
	California	1,036,142,723	55,681
	United States	8,132,748,136	48,043

Source: Nielsen Claritas, Inc.

APPENDIX B

DISTRICT AND GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION

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

Allocation of State Funding to School Districts; Restructuring of the K-12 Funding System

California school districts receive a significant portion of their funding from State appropriations. As a result, changes in State revenues may affect appropriations made by the Legislature to school districts. Commencing with the Fiscal Year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education. In Fiscal Year 2013-14, State legislation replaced the majority of revenue limit and categorical funding formulas with a new set of funding formulas. The new formula for school funding is known as the "Local Control Funding Formula" (the "Local Control Funding Formula" or "LCFF"). The State budget provided funding in Fiscal Year 2013-14 to begin implementing the new formulas. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The new system provides a base rate per student multiplied by the school district's average daily attendance ("ADA") for each of several grade levels. The base rates are augmented by several funding supplements such as for (1) students needing additional services, defined as English learners, students from lower income families, and foster youth; and (2) school districts with high concentrations of English learners and lower income families. The new funding system requires school districts to develop local control and accountability plans describing how the school district intends to educate its students and achieve annual education goals to be achieved in state-mandated areas of priority.

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

The Local Control Funding Formula is also based on ADA. ADA can fluctuate due to factors such as population growth or decline, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in ADA will cause a school district to lose operating revenues, without necessarily permitting the school district to make adjustments in fixed operating costs.

Average Daily Attendance

In the past, annual State apportionments of basic and equalization aid to school districts were computed based on a revenue limit per unit of ADA. Prior to Fiscal Year 1998-99, daily attendance numbers included students who were absent from school for an excused absence, such as illness. Effective in Fiscal Year 1998-99, only actual attendance is counted in the calculation of ADA. This change was essentially fiscally neutral for school districts which maintain the same excused absence rate. The rate per student was recalculated to provide the same total funding to school districts in the base year as would have been received under the old system. After Fiscal Year 1998-99, school districts which improved their actual attendance rate received additional funding.

As indicated above, commencing with the Fiscal Year 2013-14, the State budget restructured the manner in which the State allocates funding for K-12 education using the Local Control Funding Formula. Under the prior funding system, school districts received different per-pupil funding rates based on historical factors and varying participation in categorical programs. The following table shows the District's enrollment, ADA and revenue limit per ADA for 2011-12 through 2012-13 under the historical funding program and for 2013-14 through 2017-18 under the Local Control Funding Formula.

AVERAGE DAILY ATTENDANCE,
REVENUE LIMIT/LCFF AND ENROLLMENT

Fiscal Year	Average Daily Attendance(1)	Revenue Limit/LCFF Revenues(2)	Enrollment(3)
2011-12	12,410	$ 66,130,439	12,951
2012-13	12,330	66,674,286	12,873
2013-14	12,152	81,784,318	12,601
2014-15	11,862	88,289,428	12,459
2015-16	11,593	96,119,807	12,170
2016-17	11,374	99,265,342	11,893
2017-18(4)	11,239	99,782,142	11,756

Source: New Haven Unified School District

(1) Except for fiscal year 2017-18, reflects ADA as of the second principal reporting period (P-2 ADA), ending on or before the last attendance month prior to April 15 of each school year.

(2) Deficit revenue limit funding, when provided for in State budgetary legislation, reduced the revenue limit allocations received by school districts by applying a deficit factor to the base revenue limit for the given fiscal year, and resulted from an insufficiency of appropriation funds in the State budget to provide for State aid owed to school districts. The State's practice of deficit revenue limit funding was most recently reinstated beginning in Fiscal Year 2008-09, and discontinued following the implementation of the LCFF.

(3) Except for fiscal year 2017-18, enrollment as of October report submitted to the California Basic Educational Data System ("CBEDS") in each school year.

(4) As projected in the District's 2017-18 Budget, adopted June 20, 2017.

Effect of Changes in ADA. Changes in local property tax income and student enrollment (or ADA) affect community funded districts and revenue limit districts, now known as "LCFF districts," differently. In a LCFF district, such as the District, increasing enrollment increases the amount allocated under LCFF and thus generally increases a district's entitlement to State aid, while increases in property taxes do nothing to increase district revenues, but only offset the State aid funding requirement. Operating costs typically increase disproportionately slower than enrollment growth until the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on LCFF districts, generally resulting in a loss of State aid, while operating costs typically decrease slowly until the district decides to lay off teachers, close schools, or initiate other cost-saving measures.

In community funded districts, the opposite is generally true: increasing enrollment does increase the amount allocated under LCFF, but since all LCFF income (and more) is already generated by local property taxes, there is typically no increase in State income. New students impose increased operating costs, but typically at a slower pace than enrollment growth, and the effect on the financial condition of a community funded district would depend on whether property tax growth keeps pace with enrollment growth. Declining enrollment typically does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus can be financially beneficial to a community funded district.

For LCFF districts, any loss of local property taxes is made up by an increase in State aid. For community funded districts, the loss of tax revenues is not reimbursed by the State.

Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in and out, and other causes. Losses in enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs.

The District cannot make any predictions regarding how the current economic environment or changes thereto will affect the State's ability to meet the revenue and spending assumptions in the State's adopted budget, and the effect of these changes on school finance. The District's 2nd Interim Report and projected ADA are used for planning purposes only, and do not represent a prediction as to the actual financial performance, attendance, or the District's actual funding level for fiscal year 2017-18 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

District Budget

The District is required by the provisions of the State Education Code to maintain a balanced budget each year, in which the sum of expenditures and the ending fund balance cannot exceed the sum of revenues and the carry-over fund balance from the previous year. The State Department of Education imposes a uniform budgeting and accounting format for school districts. The budget process for school districts was substantially amended by Assembly Bill 1200 ("AB 1200"), which became State law on October 14, 1991. Portions of AB 1200 are summarized below. The budget process has been further amended by subsequent amendments, including Senate Bill 97, which became law on September 26, 2013 (requiring budgets to include sufficient funds to implement local control and accountability plans), Senate Bill 858, which became law on June 20, 2014 (requiring budgets' ending fund balances to exceed the minimum recommended reserve for economic uncertainties), and Assembly Bill 2585, which became State law on September 9, 2014 (eliminating the dual budget cycle option for school districts).

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

On or before August 15, the county superintendent will approve, conditionally approve or disapprove the adopted budget for each school district. Budgets will be disapproved if they fail the above standards. The district boards must be notified by August 15 of the county superintendent's recommendations. The committee must report its findings no later than August 20. Any recommendations made by the county superintendent must be made available by the district for public inspection. No later than September 22, the county superintendent must notify the State Superintendent of Public Instruction of all school districts whose budget may be disapproved.

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

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

The District's 2nd Interim Report for fiscal year 2016-17 was certified as "Positive." The District has not received a qualified or negative certification in any of the last five years. The District adopted its 2017-18 Budget on June 20, 2017.

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.

The District's expenditures are accrued at the end of the fiscal year to reflect the receipt of goods and services in that year. Revenues generally are recorded on a cash basis, except for items that are susceptible to accrual (measurable and/or available to finance operations). Current taxes are considered susceptible to accrual. Delinquent taxes not received after the fiscal year end are not recorded as revenue until received. Revenues from specific state and federally funded projects are recognized when qualified expenditures have been incurred. State block grant apportionments are accrued to the extent that they are measurable and predictable. The State Department of Education sends the District updated information from time to time explaining the acceptable accounting treatment of revenue and expenditure categories.

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

Financial Statements

The District's general fund finances the basic operating activities of the District. General fund revenues are derived from such sources as State school fund apportionments, taxes, use of money and property, and aid from other governmental agencies. Audited financial statements for the District for the fiscal year ended June 30, 2016, and prior fiscal years are on file with the District and available for public inspection at the office of the Superintendent of the District, 34200 Alvarado-Niles Road, Union City, California 94587, telephone number (510) 471-1100. Copies of such financial statements will be mailed to prospective investors and their representatives upon request directed to the District at such address. For further information, see also APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016.

The following table shows the District's audited revenues, expenditures and changes in fund balances for fiscal years 2013-14 through 2015-16, unaudited revenues, expenditures and changes in fund balances for fiscal year 2016-17 as well as budgeted projections for 2017-18.

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Fiscal Years 2013-14 to 2017-18

	Fiscal Year				
	2013-14 Audited	2014-15 Audited	2015-16 Audited	2016-17(1) Unaudited	2017-18(1) Budget
REVENUES					
Revenue Limit/LCFF Sources	$ 81,784,318	$ 88,904,887	$ 96,786,333	$ 99,265,342	$ 99,782,142
Federal Sources	12,482,406	14,395,514	13,093,621	9,368,997	5,969,498
Other State Sources	9,842,678	7,871,589	15,358,932	13,111,928	7,334,512
Other Local Sources	10,360,777	9,167,134	8,955,272	8,291,891	7,078,740
Total Revenues	114,470,179	120,339,124	134,193,158	130,038,158	120,164,892
EXPENDITURES					
Certificated Salaries	61,061,787	63,377,374	63,983,485	68,937,998	70,345,692
Classified Salaries	13,497,690	14,698,972	15,276,363	17,012,404	17,042,387
Employee Benefits	20,409,798	21,030,314	24,406,627	28,090,830	28,799,535
Books and Supplies	5,043,441	3,386,155	3,161,356	2,485,679	2,525,758
Contract Services and Op. Ex.	10,042,038	11,134,502	11,532,090	10,939,315	11,821,795
Capital Outlay	140,833	334,902	79,888	2,398,648	17,300
Other Outgo	1,246,046	1,199,195	1,135,327	1,139,221	1,126,250
Debt Service – Principal	-	-	-	-	-
Debt Service - Interest	80,000	80,000	4,040	-	-
Total Expenditures	111,521,633	115,241,414	119,579,176	131,004,094	131,678,717
Excess of Revenues over Expenditures	(2,948,546)	5,097,710	14,613,982	(965,936)	(11,513,825)
OTHER FINANCING SOURCES					
Operating transfers in	50,324	476,255	514,372	507,888	511,124
Operating transfers out	(1,591,933)	(906,386)	(892,711)	(995,735)	(465,000)
Other sources	-	8,865,500	-	-	-
Total financing sources (uses)	(1,541,609)	8,435,369	(378,339)	(487,847)	46,124
Net change in fund balances	1,406,937	13,533,079	14,235,643	(1,453,783)	(11,467,701)
Fund Balance, July 1	6,938,192	8,345,129	21,882,953	36,118,596	34,664,813
Fund Balance, June 30	8,345,129	21,878,208	36,118,596	34,664,813	23,197,112

Source: New Haven Unified School District 2015-16 audited financial statements and 2017-18 Budget.
(1) From the District's 2016-17 Unaudited Actuals, adopted September 12, 2017.

Summary of District Revenues and Expenditures

The District's audited financial statements for the year ending June 30, 2016, are reproduced in Appendix C. The final (unaudited) statement of receipts and expenditures for each fiscal year ending June 30 is required by State law to be approved by the District Board by September 15, and the audit report must be filed with the County Superintendent of Schools and State officials by December 15 of each year.

The District is required by State law and regulation to maintain various reserves. The District is generally required to maintain a reserve for economic uncertainties in the amount of 3% of its total general fund expenditures, based on total student attendance below 30,000. For fiscal year 2017-18, the District has budgeted an unrestricted general fund reserve of 3%, or approximately $3,964,312. Additionally, the District has a fiscal stabilization fund that sets aside an additional 1%. Substantially all funds of the District are required by law to be deposited with and invested by the County Treasurer-Tax Collector on behalf of the District, pursuant to law and the investment policy of the County. See "INVESTMENT OF DISTRICT FUNDS" in the front portion of this Official Statement.

Local Control Funding Formula. The State Constitution requires that from all State revenues there will be funds set aside to be allocated by the State for support of the public school system and public institutions of higher education. As discussed below, school districts in the State receive a significant portion of their funding from these State allocations. The general operating income of school districts in California is comprised of two major components: (i) a State portion funded from the State's general fund, and (ii) a local portion derived from the School District's share of the 1% local *ad valorem* tax authorized by the State Constitution. School districts may also be eligible for special categorical and grant funding from State and federal government programs.

As part of the State Budget for Fiscal Year 2013-14 (the "2013-14 State Budget"), State Assembly Bill 97 (Stats. 2013, Chapter 47) ("AB 97") was enacted to establish a new system for funding State school districts, charter schools and county offices of education by the implementation of the Local Control Funding Formula or LCFF. This formula replaced the 40-year revenue limit funding system for determining State apportionments and the majority of categorical programs. Subsequently, AB 97 was amended and clarified by Senate Bill 91 (Stats. 2013 Chapter 49). The LCFF consists primarily of base, supplemental and concentration funding formulas that focus resources based on a school district's student demographic. Each school district and charter school will receive a base grant per its ADA used to support the basic costs of instruction and operations. The implementation of the LCFF is to occur over a period of several years. Beginning in fiscal year 2013-14 an annual transition adjustment has been calculated for each individual school district, equal to such district's proportionate share of appropriations included in the State Budget. The Governor's Department of Finance estimates the LCFF funding targets could be achieved in eight years, with LCFF being fully implemented by 2020-21.

The LCFF includes the following components:

- An average base grant for each local education agency equivalent to $7,643 per unit of ADA (by the end of the implementation period). This amount includes an adjustment of 10.4% to the base grant to support lowering class sizes in grades K-3, and an adjustment of 2.6% to reflect the cost of operating career technical education programs in high schools. It should be noted that the authorizing LCFF statute, AB 97, provides for a differentiated base grant amount according to four different grade spans: K-3, 4-6, 7-8, and 9-12. Unless otherwise collectively bargained for, following full implementation of the LCFF, school districts must maintain an average class enrollment of 24 or fewer students in grades K-3 at each school site by the target year so as to continue receiving its adjustment to the K-3 base grant.
- A 20% supplemental grant for students classified as English learners ("EL"), those eligible to receive a free or reduced price meal ("FRPM") and foster youth, to reflect increased costs associated with educating those students. These supplemental grants are only attributed to each eligible student once, and the total student population eligible for the additional funding is known as an "unduplicated count."

- An additional concentration grant equal to 50% of a local education agency's base grant, based on the number of unduplicated EL, FRPM and foster youth served by the local agency that comprise more than 55% of the school district's or charter school's total enrollment.

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 through 2017-18.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2017-18

Fiscal Year	Average Daily Attendance K-3	4-6	7-8	9-12	Total District ADA(1)	Total District Enrollment(2)	% of EL/LI Enrollment(3)
2013-14	3,604.87	2,692.80	1,871.93	3,982.32	12,151.92	12,601	55.98%
2014-15	3,488.47	2,698.50	1,743.18	3,931.54	11,861.69	12,459	54.33
2015-16	3,330.56	2,641.37	1,758.76	3,863.20	11,593.89	12,171	54.06
2016-17(4)	3,211.84	2,582.07	1,734.13	3,845.82	11,374.34	11,893	53.93
2017-18(4)	3,234.55	2,387.84	1,711.11	3,883.38	11,239.25	11,756	55.00

Source: New Haven Unified School District
(1) Reflects P-2 ADA.
(2) Reflects CBEDS enrollment.
(3) For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students was expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment was based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
(4) As projected in the District's 2017-18 Budget, adopted June 20, 2017.

Of the more than $25 billion in funding to be invested through the LCFF through full implementation of the LCFF, the vast majority of new funding will be provided for base grants. Specifically, of every dollar invested through the LCFF, 84 cents will go to base grants, 10 cents will go to supplemental grants, and 6 cents will go to concentration grants. Under the 2013-14 State Budget, the target average base grant was $7,643, which was an increase of $2,375 from the prior year's average revenue limit. Base grants are adjusted for cost-of-living increases by applying the implicit price deflator for government goods and services. Following full implementation of the LCFF, the provision of COLAs will be subject to appropriation for such adjustment in the annual State budget. The differences among base grants are linked to differentials in Statewide average revenue limit rates by district type, and are intended to recognize the generally higher costs of education at higher grade levels. For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in Fiscal Year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuance of deficit revenue limit funding and restoration of categorical funding to pre- recession levels. The sum of a school district's adjusted base, supplemental and concentration grants will be multiplied by such district's Second Principal Apportionment (P-2) ADA for the current or prior year, whichever is greater (with certain adjustments applicable to small school districts). This funding amount, together with categorical block grant add-ons, will yield a school district's total LCFF allocation. Generally, the amount of annual State apportionments received by a school district will amount to the difference between such total LCFF allocation and the individual school district's share of applicable local property taxes allocations. Most school districts receive a significant portion of their funding from such State apportionments. As a result, decreases in State revenues in a particular year may significantly affect appropriations made by the State Legislature to school districts.

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

A summary of the target LCFF funding amounts for California school districts and charter schools based on grade levels and targeted students classified as English learners, those eligible to receive a free or reduced price meal, foster youth, or any combination of these factors ("unduplicated" count) is shown below:

CALIFORNIA SCHOOL DISTRICTS AND CHARTER SCHOOLS
GRADE SPAN FUNDING AT FULL LCFF IMPLEMENTATION
LOCAL CONTROL TARGET FUNDING FORMULA 2017-18

Grade Levels	2016-17 Base Grants per ADA	2017-18 COLA (0.00%)	Grade Span Adjustments	2017-18 Grant/Adjusted Base Grant per ADA
TK-3	$ 7,083	$ 110	$748	$ 7,941
4-6	7,189	112	-	7,301
7-8	7,403	115	-	7,518
9-12	8,578	134	227	8,939

Source: California Department of Education

Beginning July 1, 2015, school districts are required to develop a three-year Local Control and Accountability Plan (each, a "LCAP"). County Superintendent of Schools and the State Superintendent of Public Instruction will review and provide support to school districts and county offices of education under their jurisdiction. In addition, the 2013-14 State budget created the California Collaborative for Education Excellence (the "Collaborative") to advise and assist school districts, county offices of education, and charter schools in achieving the goals identified in their plans. The State Superintendent of Public Instruction may direct the Collaborative to provide additional assistance to any district, county office, or charter school. For those entities that continue to struggle in meeting their goals, and when the Collaborative indicates that additional intervention is needed, the State Superintendent of Public Instruction has authority to make changes to school district or county office's local plan. For charter schools, the charter authorizer will be required to consider revocation of a charter if the Collaborative finds that the inadequate performance is so persistent and acute as to warrant revocation. 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.

Federal Sources. The federal government provides funding for several District programs, including special education programs, programs under the Educational Consolidation and Improvement Act, and specialized programs such as Education for Economic Security, and the free and reduced lunch program.

Other State Sources. In addition to LCFF revenues, the District receives substantial other State revenues. The LCFF replaced most of the State categorical program funding that existed prior to Fiscal Year 2013-14. Categorical funding for certain programs was excluded from the LCFF, and school districts continue to receive restricted State revenues to fund these programs. These other State revenues are primarily restricted revenue funding items such as the Special Education Master Plan, Economic Impact Aid, and Tier 3 Funding.

Other State revenues include 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.

Other Local Sources. In addition to property taxes, the District receives additional local revenues from items such as leases and rentals, interest earnings, transportation fees, interagency services, and other local sources.

District Expenditures

The largest part of each school district's general fund budget is used to pay salaries and benefits of certificated (credentialed teaching) and classified (non-instructional) employees. Changes in salary and benefit expenditures from year to year are generally based on changes in staffing levels, negotiated salary increases, and the overall cost of employee benefits.

Labor Relations. The District has 609.2 full-time equivalent (FTE) certificated employees, 338.0 FTE classified employees and 76.0 FTE management employees. There are two formal bargaining organizations operating in the District which are described in the table below.

LABOR ORGANIZATIONS

Labor Organization	Contract Expiration Date
New Haven Teachers' Association	June 30, 2017*
California School Employees Association	June 30, 2017*

Source: New Haven Unified School District.
*The District is in negotiations to renew these contracts.

District Retirement Programs

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.

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

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

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

MEMBER CONTRIBUTION RATES
STRS Defined Benefit Program

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

Source: AB 1469.

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

K-14 SCHOOL DISTRICT CONTRIBUTION RATES
STRS Defined Benefit Program

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

Source: AB 1469.

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

The District's contribution to STRS for the five most recent fiscal years was as follows:

Fiscal Year	District STRS Contribution
2012-13	$ 4,361,504
2013-14	4,874,532
2014-15	5,379,775
2015-16	6,656,354
2016-17[1]	8,389,458

Source: New Haven Unified School District
(1) District Estimate.

The State also contributes to STRS, currently in an amount equal to 6.328% of teacher payroll for fiscal year 2016-17. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

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

Contributions by employers to the Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which was 11.847% of eligible salary expenditures for fiscal year 2015-16 and 13.888% in fiscal year 2016-17. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which was 6% of their respective salaries for fiscal years 2015-16 and 2016-17. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contribution to PERS for the five most recent fiscal years was as follows:

Fiscal Year	District PERS Contribution
2012-13	$1,690,545
2013-14	1,799,087
2014-15	1,508,032
2015-16	1,993,554
2016-17(1)	2,217,931

Source: New Haven Unified School District
(1) Unaudited actual.

For further information about the District's contributions to STRS and PERS, see APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016—Note 13.

State Pension Trusts. Each of STRS and PERS issues a separate comprehensive financial report that includes financial statements and required supplemental information. Copies of such financial reports may be obtained from each of STRS and PERS as follows: (i) STRS, P.O. Box 15275, Sacramento, California 95851-0275; (ii) PERS, P.O. Box 942703, Sacramento, California 94229-2703. Moreover, each of STRS and PERS maintains a website, as follows: (i) STRS: www.calstrs.com; (ii) PERS: www.calpers.ca.gov. However, the information presented in such financial reports or on such websites is not incorporated into this Official Statement by any reference. Both STRS and PERS have substantial statewide unfunded liabilities. The amount of these unfunded liabilities will vary depending on actuarial assumptions, returns on investments, salary scales and participant contributions. The following table summarizes information regarding the actuarially-determined accrued liability for both STRS and PERS. Actuarial assessments are "forward-looking" information that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

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

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA) (2)	Unfunded Liability (MVA) (2)(3)	Value of Trust Assets (AVA) (4)	Unfunded Liability (MVA) (4)
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	$215,189	$143,118	$80,354	$144,232	$70,957
2012-13	$222,281	$157,176	$74,374	$148,614	$73,667
2013-14	$231,213	$179,749	$61,807	$158,495	$72,718
2014-15	$241,753	$180,633	$72,626	$165,553	$76,200
2015-16	$266,704	$177,914	$101,586	$169,976	$96,728

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA) (2)	Unfunded Liability (MVA) (2)(3)	Value of Trust Assets (AVA) (4)	Unfunded Liability (MVA) (4)
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	$59,439	$44,854	$14,585	$53,791	$5,648
2012-13	$61,487	$49,482	$12,005	$56,250	$5,237
2013-14	$65,600	$56,838	$8,761	— (5)	— (5)
2014-15	$73,325	$56,814	$16,511	— (5)	— (5)
2015-16	$75,663	$55,912	$19,750	— (5)	— (5)

Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.
(1) Amounts may not add due to rounding.
(2) Reflects market value of assets.
(3) Excludes assets allocated to the SBPA reserve.
(4) Reflects actuarial value of assets.
(5) Effective for the June 30, 2014 actuarial valuation, PERS no longer uses an actuarial value of assets.

The STRS Board has sole authority to determine the actuarial assumptions and methods used for the valuation of the STRS Defined Benefit Program. The following are certain of the actuarial assumptions adopted by the STRS Board with respect to the STRS Defined Benefit Program Actuarial Valuation for fiscal year 2015-16: measurement of accruing costs by the "Entry Age Normal Actuarial Cost Method," 7.25% investment rate of return (net of investment and administrative expenses), 3.00% interest on member accounts, 3.50% projected wage growth, and 2.75% projected inflation. According to the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2016, the future revenue from contributions and appropriations for the STRS Defined Benefit Program was projected to be sufficient to finance its obligations. This finding reflects the scheduled contribution increases specified in AB 1469 and is based on the valuation assumptions and the valuation policy adopted by the STRS Board.

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

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

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

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

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

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

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

The District's proportionate shares of the net pension liabilities, pension expense, deferred outflow of resources and deferred inflow of resources for STRS and PERS, as of June 30, 2016, are as shown in the following table.

Pension Plan	Net Pension Liability	Deferred Outflows Related to Pensions	Deferred Inflows Related to Pensions	Pension Expenses
STRS	$ 90,337,442	$ 15,910,143	$ 15,991,273	$ 7,225,215
PERS	21,993,229	6,968,355	5,745,734	1,993,554
Totals	112,330,671	22,878,498	21,737,007	9,218,769

Source: New Haven Unified School District.

For additional information, see APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016—Note 13.

Other Post-Employment Benefits

Post-Employment Health Care Plan and Other Postemployment Benefits (OPEB) Obligation. The Postemployment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 431 retirees and beneficiaries currently receiving benefits and 1,187 active plan members. The Plan is presented in these financial statements as the Retiree Benefits Trust Fund. Separate financial statements are not prepared for the Trust.

Funding Policy. The contribution requirements of plan members and the District are established and may be amended by the District and the bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District and the bargaining units. For fiscal year 2015-16, the District contributed $1,075,549 to the plan, all of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation. The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 accrued liabilities (UAAL) (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 asset to the Plan:

OPEB OBLIGATIONS
Fiscal Year 2015-16

Annual required contribution	$ 1,271,000
Interest on net OPEB obligation	66,000
Adjustment to annual required contribution	(82,000)
Annual OPEB cost (expense)	1,255,000
Contributions made	(1,075,549)
Increase in net OPEB obligation	179,451
Net OPEB obligation, beginning of the year	1,313,499
Net OPEB obligation, end of the year	1,492,950

Source: New Haven Unified School District 2015-16 Audited Financial Statements.

Trend information for annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset/obligation is as follows:

HISTORICAL OPEB OBLIGATIONS
Fiscal Years 2011-12 to 2015-16

Fiscal Year	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation
2015-16	$ 1,255,000	86%	$ 1,492,950
2014-15	1,107,000	41	1,313,499
2013-14	748,000	103	600,699

Source: New Haven Unified School District 2015-16 Audited 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, investment returns, 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, presented as required supplementary information following the notes to the financial statements, 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.

See also APPENDIX C—AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016, Note 10.

District Debt

General Obligation Bonds. The following table reflects the District's outstanding general obligation bonds, including the Bonds of this issue:

Outstanding General Obligation Bonds
As of October 11, 2017

Dated Date	Series	Outstanding as of 10/11/2017
9/1/02	2002 General Obligation Refunding Bonds	$ 4,100,000.00
12/28/05	2005 General Obligation Refunding Bonds	3,355,000.00
5/22/08	General Obligation Bonds, Election of 2003, Series C (CIBs)	2,200,000.00
5/22/08	General Obligation Bonds, Election of 2003, Series C (CABs)	9,999,522.20
8/13/09	General Obligation Bonds, Election of 2003, Series D	24,246,786.90
8/13/09	2009 General Obligation Refunding Bonds	7,995,000.00
6/26/12	2012 General Obligation Refunding Bonds	21,383,104.00
10/22/14	2014 General Obligation Refunding Bonds, Series A	48,995,000.00
5/5/15	2014 General Obligation Refunding Bonds, Series B	9,315,000.00
10/28/15	General Obligation Bonds, Election of 2014, Series A	24,620,000.00
8/2/16	2016 General Obligation Refunding Bonds	45,655,000.00
10/11/17	General Obligation Bonds, Election of 2014, Series B	40,000,000.00
Total		$241,864,413.10

The annual requirements to amortize all outstanding general obligation bonds are as follows:

NEW HAVEN UNIFIED SCHOOL DISTRICT
General Obligation Bonds—Debt Service
As of October 11, 2017

Date	2002 Refunding Bonds	2005 Refunding Bonds	Election of 2003 Series C (CIBs)	Election of 2003 Series C (CABs)	Election of 2003 Series D	2009 Refunding Bonds	2012 Refunding Bonds	2014A Refunding Bonds	2014B Refunding Bonds	Election of 2014 Series A	2016 Refunding Bonds	Election of 2014 Series B	Total
8/1/18	$4,592,000	$1,352,600	$ 258,500	—	—	$ 2,019,750	$ 576,563	$ 4,400,288	$ 465,750	$ 1,481,044	$ 2,121,850	$ 2,708,749	$19,977,094
8/1/19	—	1,398,600	302,500	—	—	2,158,750	4,726,563	4,948,038	465,750	1,125,694	2,121,850	2,432,675	19,680,420
8/1/20	—	1,450,400	392,500	—	—	2,246,750	4,793,063	5,378,038	465,750	1,125,694	2,121,850	1,402,675	19,376,720
8/1/21	—	—	427,500	—	$ 565,000	2,640,750	195,063	2,574,538	9,780,750	1,125,694	2,121,850	1,402,675	20,833,820
8/1/22	—	—	410,000	—	240,000	—	13,695,063	1,817,488	—	1,125,694	2,121,850	1,402,675	20,812,770
8/1/23	—	—	442,500	—	655,000	—	13,545,063	1,817,488	—	1,225,694	2,121,850	1,402,675	21,210,270
8/1/24	—	—	472,500	—	2,385,000	—	135,063	6,572,488	—	1,345,694	8,576,850	1,627,675	21,115,270
8/1/25	—	—	—	—	2,860,000	—	135,063	6,919,738	—	1,459,444	9,079,100	1,395,925	21,849,270
8/1/26	—	—	—	—	3,355,000	—	135,063	7,257,738	—	1,541,944	9,135,100	1,670,925	23,095,770
8/1/27	—	—	—	—	3,890,000	—	135,063	7,600,488	—	1,599,444	9,180,100	1,689,925	24,095,020
8/1/28	—	—	—	—	4,400,000	—	135,063	7,976,238	—	1,657,944	9,253,600	1,707,725	25,130,570
8/1/29	—	—	—	$10,150,000	4,925,000	—	1,710,063	2,981,738	—	1,732,194	2,569,200	1,725,975	25,794,170
8/1/30	—	—	—	10,150,000	5,550,000	—	1,976,000	2,727,188	—	1,796,194	2,973,400	1,737,475	26,910,257
8/1/31	—	—	—	13,780,000	6,055,000	—	—	2,552,188	—	1,875,194	2,542,800	1,317,475	28,122,657
8/1/32	—	—	—	—	24,160,000	—	—	2,547,188	—	1,954,644	—	1,317,475	29,979,307
8/1/33	—	—	—	—	30,285,000	—	—	—	—	1,950,519	—	1,317,475	33,552,994
8/1/34	—	—	—	—	31,490,000	—	—	—	—	1,959,069	—	1,317,475	34,766,544
8/1/35	—	—	—	—	—	—	—	—	—	1,956,100	—	2,387,475	4,343,575
8/1/36	—	—	—	—	—	—	—	—	—	1,955,500	—	2,545,375	4,500,875
8/1/37	—	—	—	—	—	—	—	—	—	1,955,500	—	2,697,575	4,653,075
8/1/38	—	—	—	—	—	—	—	—	—	1,957,500	—	2,894,075	4,851,575
8/1/39	—	—	—	—	—	—	—	—	—	1,956,250	—	3,052,038	5,008,288
8/1/40	—	—	—	—	—	—	—	—	—	1,956,750	—	3,227,744	5,184,494
8/1/41	—	—	—	—	—	—	—	—	—	1,958,750	—	3,390,350	5,349,100
8/1/42	—	—	—	—	—	—	—	—	—	1,957,000	—	3,550,025	5,507,025
8/1/43	—	—	—	—	—	—	—	—	—	1,956,500	—	3,696,600	5,653,100
8/1/44	—	—	—	—	—	—	—	—	—	1,957,000	—	3,852,400	5,809,400
8/1/45	—	—	—	—	—	—	—	—	—	1,956,500	—	3,972,400	5,928,900
8/1/46	—	—	—	—	—	—	—	—	—	—	—	6,117,600	6,117,600
8/1/47	—	—	—	—	—	—	—	—	—	—	—	6,281,600	6,281,600
Total	$4,592,000	$4,201,600	$2,706,000	$34,080,000	$120,815,000	$9,066,000	$41,892,756	$68,070,870	$11,178,000	$47,605,148	$66,041,250	$75,242,906	$485,491,530

All debt service payments on the bonds, including refunding bonds, are payable from an *ad valorem* tax levied and collected by the County on assessed property in the District.

General Fund Obligations. The District is not responsible for making payments related to any multi-year financings of the District or any related entity.

Recent State Budgets

Information regarding the State Budget is regularly available at various State-maintained websites. The Fiscal Year 2017-18 State Budget further described below may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an impartial analysis of the State's Budgets is posted by the Office of the Legislative Analyst at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the District, and the District takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

Final 2017-18 State Budget

On June 27, 2017, the Governor signed the 2017-18 State Budget (the "Final 2017-18 State Budget"). The additional spending added to the Final 2017-18 State Budget since the May Revision is primarily one-time in nature, which avoids ongoing commitments that would put pressure on future state budgets.

The Final 2017-18 State Budget includes total general fund spending of $125 billion, with a funding increase of more than $3 billion for K-12 education (approximately $1 billion more than the Governor proposed in the 2017-18 Proposed Budget) and an expanded tax credit for low-wage workers. The Final 2017-18 State Budget allocates $2.8 billion (expected from increases in the gas tax and vehicle registration fees) to be applied to road repairs, transit and other transportation infrastructure projects and proposes to spend portions of more than $1 billion the State expects to receive each year from the tobacco tax (approved by California voters in November of 2016) that would allow raising reimbursement rates for doctors and dentists who provide publicly funded care ($465 million) and for other providers, including those working in women's health ($81 million). While the Final 2017-18 State Budget also includes $1.8 billion to the State's reserve fund, it does not include an extension of the State's program for the regulation of climate-warming greenhouse gases known as "cap and trade," which is set to expire in 2020.

Significant provisions in the Final 2017-18 State Budget relating to K-12 education. The Final 2017-18 Stare Budget includes total funding of $92.5 billion ($54.1 billion from the General Fund and $38.4 billion from other funds) for all K-12 education programs, plus Proposition 98 funding of $74.5 billion for Fiscal Year 2017-18, an increase of $2.6 billion over the 2016 Budget Act level. Significant features of the Final 2017-18 State Budget affecting K-12 schools include the following:

- *Local Control Funding Formula*. An increase of almost $1.4 billion in Proposition 98 General Fund monies to continue the State's transition to the LCFF, an increase that will bring the LCFF to 97% of full implementation.

- *One Time Discretionary Grants*. An increase of $877 million in Proposition 98 General Fund monies to provide school districts, county offices of education, and charter schools with discretionary resources to support critical investments at the local level to be used for activities such as deferred maintenance, professional development, induction for beginning teachers, instructional materials, technology, and implementation of new educational standards.

- *After School and Education Safety (ASES) Program.* An increase of $50 million in Proposition 98 General Fund monies to increase provider reimbursement rates for the ASES program, bringing the total spending on the program to $600 million.

- *Teacher Workforce.* A combined increase of $41.3 million in one-time ($30 million in one-time Proposition 98 General Fund monies and $11.3 million in one-time federal Title II funds) to fund several programs aimed at recruiting and developing additional teachers and school leaders, with particular emphasis on key shortage areas such as special education, math, science, and bilingual education.

- *California Educator Development Program.* An increase of $11.3 million in onetime federal Title II funds for a competitive grant program that assists local educational agencies in attracting and supporting the preparation and continued learning of teachers, principals, and other school leaders in high-need subjects and schools.

- *Classified School Employees Credentialing Program.* An increase of $25 million in onetime Proposition 98 General Fund monies, available for five years, to support a second cohort of the California Classified School Employees Credentialing Program established in the 2016 Budget Act.

- *Bilingual Professional Development Program.* An increase of $5 million in onetime Proposition 98 General Fund monies for onetime competitive grants to support professional development for teachers and paraprofessionals seeking to provide instruction in bilingual and multilingual settings.

- *Charter School Facility Grant Program.* An increase in the per student funding rate to $1,117 for Fiscal Year 2017-18 and an ongoing cost-of-living adjustment for the program moving forward.

- *Refugee Student Support.* An increase of $10 million in onetime Proposition 98 General Fund monies to provide additional services for refugee students transitioning to a new learning environment.

Future State Budgets

The District receives a significant portion of its funding from the State. Changes in the revenues received by the State can affect the amount of funding, if any, to be received from the State by the District and other school districts in the State.

The District cannot predict the extent of the budgetary problems the State will encounter in this Fiscal Year or in any future fiscal years, and, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the District cannot predict the final outcome of current and future State budget negotiations, the impact that such budgets will have on its finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors over which the District has no control.

Supplemental Information Concerning Litigation Against the State of California

In June 1998, a complaint was filed in Los Angeles County Superior Court challenging the authority of the State Controller to make payments in the absence of a final, approved State Budget. The Superior Court judge issued a preliminary injunction preventing the State Controller from making payments including those made pursuant to continuing appropriations prior to the enactment of the State's annual budget. As permitted by the State Constitution, the Legislature immediately enacted and the Governor signed an emergency appropriations bill that allowed continued payment of various State obligations, including debt service, and the injunction was stayed by the California Court of Appeal, pending its decision.

On May 29, 2003, the California Court of Appeal for the Second District decided the case of *Steven White, et al. v. Gray Davis (as Governor of the State of California), et al.* The Court of Appeal concluded that, absent an emergency appropriation, the State Controller may authorize the payment of state funds during a budget impasse only when payment is either (i) authorized by a "continuing appropriation" enacted by the Legislature, (ii) authorized by a self-executing provision of the California Constitution, or (iii) mandated by federal law. The Court of Appeal specifically concluded that the provisions of Article XVI, Section 8 of the California Constitution – the provision establishing minimum funding of K-14 education enacted as part of Proposition 98 – did not constitute a self-executing authorization to disburse funds, stating that such provisions merely provide formulas for determining the minimum funding to be appropriated every budget year but do not appropriate funds. The State Controller has concluded that the provisions of the Education Code establishing K-12 and county office revenue limit funding do constitute continuing appropriations enacted by the Legislature and, therefore, the State Controller has indicated that State payments of such amounts would continue during a budget impasse. However, no similar continuing appropriation has been cited with respect to K-12 categorical programs and revenue limit funding for community college districts, and the State Controller has concluded that such payments are not authorized pursuant to a continuing appropriation enacted by the Legislature and, therefore, cannot be paid during a budget impasse. The California Supreme Court granted the State Controller's Petition for Review on a procedural issue unrelated to continuous appropriations and on the substantive question as to whether the State Controller is authorized to pay State employees their full and regular salaries during a budget impasse. No other aspect of the Court of Appeal's decision was addressed by the State Supreme Court.

On May 1, 2003, with respect to the substantive question, the California Supreme Court concluded that the State Controller is required, notwithstanding a budget impasse and the limitations imposed by State law, to timely pay those state employees who are subject to the minimum wage and overtime compensation provisions of the federal Fair Labor Standards Act. The Supreme Court also remanded the preliminary injunction issue to the Court of Appeal with instructions to set aside the preliminary injunction in its entirety.

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The principal of and interest on the Bonds are payable from the proceeds of an ad valorem tax levied by the County for the payment thereof. (See "THE BONDS—Security.") Articles XIIIA, XIIIB, XIIIC and XIIID of the California Constitution, Propositions 98, 111, 218 and 39, 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 County to levy taxes and of the District to spend tax proceeds and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy taxes for payment of the Bonds. The tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Article XIIIA of the California Constitution

Article XIIIA of the State Constitution, adopted and known as Proposition 13, was approved by the voters in June 1978. Section 1(a) of Article XIIIA limits the maximum *ad valorem* tax on real property to 1% of "full cash value," and provides that such tax shall be collected by the counties and apportioned according to State law. Section 1(b) of Article XIIIA provides that the 1% limitation does not apply to *ad valorem* taxes levied to pay interest and redemption charges on (i) indebtedness approved by the voters prior to July 1, 1978, or (ii) bonded indebtedness for the acquisition or improvement of real property approved on or after July 1, 1978, by two-thirds of the votes cast on the proposition, or (iii) bonded indebtedness incurred by a school district or community college district for the construction, reconstruction, rehabilitation or replacement of school facilities or the acquisition or lease of real property for school facilities, approved by 55% of the voters of the district, but only if certain accountability measures are included in the proposition.

Section 2 of Article XIIIA defines "full cash value" to mean the county assessor's valuation of real property as shown on the fiscal year 1975-76 tax bill, or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred. The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or to reflect a reduction in the consumer price index or comparable data for the area under taxing jurisdiction, or may be reduced in the event of declining property value caused by substantial damage, destruction or other factors. The Revenue and Taxation Code permits county assessors who have reduced the assessed valuation of a property as a result of natural disasters, economic downturns or other factors, to subsequently "recapture" such value (up to the pre-decline value of the property) at an annual rate higher than 2%, depending on the assessor's measure of the restored value of the damaged property. The State courts have upheld the constitutionality of this procedure. Legislation enacted by the State Legislature to implement Article XIIIA provides that, notwithstanding any other law, local agencies may not levy any *ad valorem* property tax except the 1% base tax levied by each county and taxes to pay debt service on indebtedness approved by the voters as described above.

Since its adoption, Article XIIIA has been amended a number of times. These amendments have created a number of exceptions to the requirement that property be reassessed when purchased, newly constructed or a change in ownership has occurred. These exceptions include certain transfers of real property between family members, certain purchases of replacement dwellings for persons over age 55 and by property owners whose original property has been destroyed in a declared disaster, and certain improvements to accommodate disabled persons and for seismic upgrades to property. These amendments have resulted in marginal reductions in the property tax revenues of the District.

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

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.

That portion of annual property tax revenues generated by increases in assessed valuations within each tax rate area within a county, subject to redevelopment agency, if any, claims on tax increment and subject to changes in organizations, if any, of affected jurisdictions, is allocated to each jurisdiction within the tax rate area in the same proportion that the total property tax revenue from the tax rate area for the prior year was allocated to such jurisdictions.

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.

Beginning in fiscal year 1981-82, assessors in California no longer record property values on tax rolls at the assessed value of 25% of market value which was expressed as $4 per $100 of assessed value. All taxable property is now shown at 100% of assessed value on the tax rolls. Consequently, the tax rate is expressed as $1 per $100 of taxable value. All taxable property value included in this Official Statement is shown at 100% of taxable value (unless noted differently) and all tax rates reflect the $1 per $100 of taxable value.

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

Article XIIIB of the California Constitution

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

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

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

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

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

Appropriations subject to limitation do not include (a) refunds of taxes, (b) appropriations for certain 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.

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 will be transferred and allocated to the State School Fund pursuant to Section 8.5 of Article XVI of the State Constitution.

Unitary Property

AB 454 (Chapter 921, Statutes of 1986) provides that revenues derived from most utility property assessed by the State Board of Equalization ("Unitary Property"), commencing with the 1988-89 fiscal year, will be allocated as follows: (1) each jurisdiction will receive up to 102% of its prior year State-assessed revenue; and (2) if county-wide revenues generated from Unitary Property are less than the previous year's revenues or greater than 102% of the previous year's revenues, each jurisdiction will share the burden of the shortfall or excess revenues by a specified formula. This provision applies to all Unitary Property except railroads, whose valuation will continue to be allocated to individual tax rate areas.

The provisions of AB 454 do not constitute an elimination of the assessment of any State-assessed properties nor a revision of the methods of assessing utilities by the State Board of Equalization. Generally, AB 454 allows valuation growth or decline of Unitary Property to be shared by all jurisdictions in a county.

California Lottery

In the November 1984 general election, the voters of the State approved a Constitutional Amendment establishing a California State Lottery, the net revenues (revenues less expenses and prizes) of which shall be used to supplement other moneys allocated to public education. The legislation further requires that the funds shall be used for the education of pupils and students and cannot be used for the acquisition of real property, the construction of facilities or the financing of research.

Allocation of Lottery net revenues is based upon the average daily attendance of each school and community college district; however, the exact allocation formula may vary from year to year. The District estimates that it received $1,804,471 in Lottery aid in fiscal year 2016-17, representing approximately 2% of the District's general fund revenues. At this time, the amount of additional revenues that may be generated by the Lottery in any given year cannot be predicted.

Proposition 46

On June 3, 1986, California voters approved Proposition 46, which added an additional exemption to the 1% tax limitation imposed by Article XIIIA. Under this amendment to Article XIIIA, local governments and school and community college districts may increase the property tax rate above 1% for the period necessary to retire new, general obligation bonds, if two-thirds of those voting in a local election approve the issuance of such bonds and the money raised through the sale of the bonds is used exclusively to purchase or improve real property.

Proposition 39

On November 7, 2000, California voters approved Proposition 39, called the "Smaller Classes, Safer Schools and Financial Accountability Act" (the "Smaller Classes Act") which amends Section 1 of Article XIIIA, Section 18 of Article XVI of the California Constitution and Section 47614 of the California Education Code and allows an alternative means of seeking voter approval for bonded indebtedness by 55% of the vote, rather than the two-thirds majority required under Section 18 of Article XVI of the Constitution. The 55% voter requirement applies only if the bond measure submitted to the voters includes, among other items: (1) a restriction that the proceeds of the bonds may be used for "the construction, reconstruction, rehabilitation, or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities," (2) a list of projects to be funded and a certification that the school district board has evaluated "safety, class size reduction, and information technology needs in developing that list" and (3) that annual, independent performance and financial audits will be conducted regarding the expenditure and use of the bond proceeds.

Section 1(b)(3) of Article XIIIA has been added to exempt the 1% *ad valorem* tax limitation that Section 1(a) of Article XIIIA of the Constitution levies, to pay bonds approved by 55% of the voters, subject to the restrictions explained above.

The Legislature enacted AB 1908, Chapter 44, which became effective upon passage of Proposition 39 and amends various sections of the Education Code. Under amendments to Section 15268 and 15270 of the Education Code, the following limits on *ad valorem* taxes apply in any single election: (1) for an elementary and high school district, indebtedness shall not exceed $30 per $100,000 of taxable property, (2) for a unified school district, such as the District, indebtedness shall not exceed $60 per $100,000 of taxable property, and (3) for a community college district, indebtedness shall not exceed $25 per $100,000 of taxable property. These requirements are not part of Proposition 39 and can be changed with a majority vote of both houses of the Legislature and approval by the Governor. Finally, AB 1908 requires that a citizens' oversight committee must be appointed who will review the use of the bond funds and inform the public about their proper usage.

Alternatively, charter schools are independent public schools formed by teachers, parents, and other individuals and/or groups. The schools function under contracts or "charters" with local school districts, county boards of education, or the State Board of Education. They are exempt from most State laws and regulations affecting public schools. As of June 2000, there were 309 charter schools in California, serving about 105,000 students (less than 2% of all K-12 students). The law permits an additional 100 charter schools each year until 2003, at which time the charter school program will be reviewed by the Legislature. Under current law, school districts must allow charter schools to use, at no charge, facilities not currently used by the district for instructional or administrative purposes.

Proposition 39 requires that each local K-12 school district provide charter school facilities sufficient to accommodate the charter school's students. A K-12 school district, however, would not be required to spend its general discretionary revenues to provide these facilities for charter schools. Instead, the district could choose to use these or other revenues — including State and local bonds. Such facilities must be reasonably equivalent to the district schools that such charter students would otherwise attend. The respective K-12 school district is permitted charge the charter school for its facilities if district discretionary revenues are used to fund the facilities and a district may decline to provide facilities for a charter school with a current or projected enrollment of fewer than 80 students who are residents in the District.

Article XIIIC and XIIID of the California Constitution

On November 5, 1996, an initiative to amend the California Constitution known as the "Right to Vote on Taxes Act" ("Proposition 218") was approved by a majority of California voters. Proposition 218 added Articles XIIIC and XIIID to the State Constitution and requires majority voter approval for the imposition, extension or increase of general taxes and 2/3 voter approval for the imposition, extension or increase of special taxes by a local government, which is defined in Proposition 218 to include counties. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995, and prior to November 6, 1996 shall continue to be imposed only if approved by a majority vote in an election held within two years following November 6, 1996. All local taxes and benefit assessments which may be imposed by public agencies will be defined as "general taxes" (defined as those used for general governmental purposes) or "special taxes" (defined as taxes for a specific purpose even if the revenues flow through the local government's general fund) both of which would require a popular vote. New general taxes require a majority vote and new special taxes require a two-thirds vote. Proposition 218 also extends the initiative power to reducing or repealing local taxes, assessments, fees and charges, regardless of the date such taxes, assessments or fees or charges were imposed, and lowers the number of signatures necessary for the process. In addition, Proposition 218 limits the application of assessments, fees and charges and requires them to be submitted to property owners for approval or rejection, after notice and public hearing.

The District has no power to impose taxes except property taxes associated with a general obligation bond election, following approval by 55% or 2/3 of the District's voters, depending upon the Article of the Constitution under which it is passed.

Proposition 218 also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed, and reduces the number of signatures required for the initiative process. This extension of the initiative power to some extent constitutionalizes the February 6, 1995 State Supreme

Court decision in *Rossi v. Brown*, which upheld an initiative that repealed a local tax and held that the State constitution does not preclude the repeal, including the prospective repeal, of a tax ordinance by an initiative, as contrasted with the State constitutional prohibition on referendum powers regarding statutes and ordinances which impose a tax. Generally, the initiative process enables California voters to enact legislation upon obtaining requisite voter approval at a general election. Proposition 218 extends the authority stated in *Rossi v. Brown* by expanding the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Proposition 218 to fees imposed after November 6,1996 and absent other legal authority could result in retroactive reduction in any existing taxes, assessments or fees and charges. Such legal authority could include the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution.

Proposition 218 has no effect upon the District's ability to pursue approval of a general obligation bond or a Mello-Roos Community Facilities District bond in the future, although certain procedures and burdens of proof may be altered slightly. The District is unable to predict the nature of any future challenges to Proposition 218 or the extent to which, if any, Proposition 218 may be held to be unconstitutional.

Propositions 98 and 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). 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.

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

The Accountability Act also changes how tax revenues in excess of the State appropriations limit are distributed. Any excess State tax revenues up to a specified amount would, instead of being returned to taxpayers, be transferred to K-14 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.

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:

a. Annual Adjustments to Spending Limit. The annual adjustments to the Article XIIIB spending limit were liberalized to be more closely linked to the rate of economic growth. Instead of being tied to the Consumer Price Index, the "change in the cost of living" is now measured by the change in 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.

b. Treatment of Excess Tax Revenues. "Excess" tax revenues with respect to Article XIIIB are now determined based on a two-year cycle, so that the State can avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year are under its limit. In addition, the Proposition 98 provision regarding excess tax revenues was modified. After any two-year period, if there are excess State tax revenues, 50% of the excess are to be transferred to K-14 school districts with the balance returned to taxpayers; under prior law, 100% of excess State tax revenues went to K-14 school districts, but only up to a maximum of 4% of the 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.

c. Exclusions from Spending Limit. Two exceptions were added to the calculation of appropriations which are subject to the Article XIIIB spending limit. First, there are excluded all appropriations for "qualified capital outlay projects" as defined by the 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.

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

e. School Funding Guarantee. There is a complex adjustment in the formula enacted in Proposition 98 which guarantees K-14 school districts a certain amount of State general fund revenues. Under prior law, K-14 school districts were guaranteed the greater of (1) 40.9% of State general fund revenues (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 capital personal income. 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 30 and Proposition 55

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increased the State Sales and Use Tax (which expired on January 1, 2017) and personal income tax rates on higher incomes. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and through the taxable year ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for head-of-household filers and over $500,000 but less than $600,000 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 head-of-household filers and over $600,000 but less than $1,000,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for head-of-household filers and over $1,000,000 for joint filers).

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

The California Children's Education and Health Care Protection Act of 2016, also known as Proposition 55, a constitutional amendment initiative, was approved by California voters at the November 8, 2016 general election in California. Proposition 55 extends the increases to personal income tax rates for high-income taxpayers that were approved as part of Proposition 30 through 2030. Tax revenue received under Proposition 55 will be allocated 89% to K-12 schools and 11% to community colleges. The sales and use tax rate increase under Proposition 30 will not be extended.

Proposition 2

Proposition 2, also known as The Rainy Day Budget Stabilization Fund Act ("Proposition 2") was approved by California voters on November 8, 2016. Proposition 2 provides for changes to State budgeting practices, including revisions to certain conditions under which transfers are made into and from the State's Budget Stabilization Account (the "Stabilization Account") established by the California Balanced Budget Act of 2004 (also known as Proposition 58). Commencing in Fiscal Year 2015-16 and for each Fiscal Year thereafter, the State is required to make an annual transfer to the Stabilization Account in an amount equal to 1.5% of estimated State general fund revenues (the "Annual Stabilization Account Transfer"). For a Fiscal Year in which the estimated State general fund revenues allocable to capital gains taxes exceed 8% of the total estimated general fund tax revenues, supplemental transfers to the Stabilization Account (a "Supplemental Stabilization Account Transfer") are also required. Such excess capital gains taxes, which are net of any portion thereof owed to K-14 school districts pursuant to Proposition 98, are required to be transferred to the Stabilization Account.

In addition, for each Fiscal Year, Proposition 2 increases the maximum size of the Stabilization Account to 10% of estimated State general fund revenues. Such excess amounts are to be expended on State infrastructure, including deferred maintenance, in any Fiscal Year in which a required transfer to the Stabilization Account would result in an amount in excess of the 10% threshold. For the period from Fiscal Year 2015-16 through Fiscal Year 2029-30, Proposition 2 requires that half of any such transfer to the Stabilization Account (annual or supplemental), shall be appropriated to reduce certain State liabilities, including repaying State interfund borrowing, reimbursing local governments for State mandated services, making certain payments owed to K-14 school districts, and reducing or prefunding accrued liabilities associated with State-level pension and retirement benefits. After Fiscal Year 2029-30, the Governor and the Legislature are given discretion to apply up to half of any required transfer to the Stabilization Account to the reduction of such State liabilities and any amount not so applied shall be transferred to the Stabilization Account or applied to infrastructure, as set forth above.

Accordingly, the conditions under which the Governor and the Legislature may draw upon or reduce transfers to the Stabilization Account are impacted by Proposition 2. Unilateral discretion to suspend transfers to the Stabilization Account are not retained by the Governor. Neither does the Legislature retain discretion to transfer funds from the Stabilization Account for any reason, as was previously provided by law. Instead, the Governor must declare a "budget emergency" (defined as an emergency within the meaning of Article XIIIB of the Constitution) or a determination that estimated resources are inadequate to fund State general fund expenditure, for the current or ensuing Fiscal Year, at a level equal to the highest level of State spending within the three immediately preceding Fiscal Years, and any such declaration must be followed by a legislative bill providing for a reduction or transfer. Draws on the Stabilization Account are limited to the amount necessary to address the budget emergency, and no draw in any Fiscal Year may exceed 50% of the funds on deposit in the Stabilization Account, unless a budget emergency was declared in the preceding Fiscal Year.

Proposition 2 also provides for the creation of a Public School System Stabilization Account (the "Public School System Stabilization Account") into which transfers will be made in any Fiscal Year in which a Supplemental Stabilization Account Transfer is required, requiring that such transfer will be equal to the portion of capital gains taxes above the 8% threshold that would otherwise be paid to K-14 school districts as part of the minimum funding guarantee. Transfers to the Public School System Stabilization Account are only to be made if certain additional conditions are met, including that: (i) the minimum funding guarantee was not suspended in the immediately preceding Fiscal Year, (ii) the operative Proposition 98 formula for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is "Test 1," (iii) no maintenance factor obligation is being created in the budgetary legislation for the Fiscal Year in which a Public School System Stabilization Account transfer might be made, (iv) all prior maintenance factor obligations have been fully repaid, and (v) the minimum funding guarantee for the Fiscal Year in which a Public School System Stabilization Account transfer might be made is higher than the immediately preceding Fiscal Year, as adjusted for ADA growth and cost of living.

Under Proposition 2, the size of the Public School System Stabilization Account is capped at 10% of the estimated minimum guarantee in any Fiscal Year, and any excess funds must be paid to K-14 school districts. Any reductions to a required transfer to, or draws upon, the Public School System Stabilization Account, are subject to the budget emergency requirements as described above. However, in any Fiscal Year in which the estimated minimum funding guarantee is less than the prior year's funding level, as adjusted for ADA growth and cost of living, Proposition 2 also mandates draws on the Public School System Stabilization Account.

Proposition 26

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

California Senate Bill 222

Senate Bill 222 ("SB 222") was signed by the California Governor on July 13, 2015 and became effective on January 1, 2016. SB 222 amended Section 15251 of the California Education Code and added Section 52515 to the California Government Code to provide that voter approved general obligation bonds which are secured by ad valorem tax collections such as the Bonds are secured by a statutory lien on all revenues received pursuant to the levy and collection of the property tax imposed to service those bonds. Said lien shall attach automatically and is valid and binding from the time the bonds are executed and delivered. The lien is enforceable against the issuer, its successors, transferees, and creditors, and all others asserting rights therein, irrespective of whether those parties have notice of the lien and without the need for any further act. The effect of SB 222 is the treatment of general obligation bonds as secured debt in bankruptcy due to the existence of a statutory lien.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC and Article XIIID of the State Constitution and Propositions 2, 22, 26, 30, 39, 46, 55 and 98 were each adopted as measure that qualified for the State ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted further affecting District revenues or the District's ability to expend revenues. The nature and impact of these measures cannot be anticipated by the District.

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APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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NEW HAVEN UNIFIED SCHOOL DISTRICT

ANNUAL FINANCIAL REPORT JUNE 30, 2016

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NEW HAVEN UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS
JUNE 30, 2016

NEW HAVEN UNIFIED SCHOOL DISTRICT

TABLE OF CONTENTS
JUNE 30, 2016

FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

Governing Board
New Haven Unified School District
Union City, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the New Haven Unified School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting,* issued by the California Education Audit Appeals Panel as regulations. 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 District'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 District'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.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 www.vtdcpa.com Fax: 925.734.6611

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the New Haven Unified School District, as of June 30, 2016, 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.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2016, the District adopted new accounting guidance, GASB Statement No. 72 *Fair Value Measurement and Application;* GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68;* GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments;* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. 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, budgetary comparison schedule, schedule of other postemployment benefits funding progress, schedule of the district's proportionate share of net pension liability, and the schedule of district pension contributions, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the New Haven Unified School District's basic financial statements. The accompanying supplementary information such as the combining and individual nonmajor fund financial statements and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the other supplementary information as listed on the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

The accompanying unaudited other information such as the Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies and accompanying notes have 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 12, 2016, on our consideration of the New Haven Unified 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 New Haven Unified School District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 12, 2016

NEW HAVEN UNIFIED SCHOOL DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2016

This section of New Haven Unified School District's 2015-2016 annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2016. Please read it in conjunction with the District's financial statements, which immediately follow this section.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Financial Statements

The financial statements presented herein include all of the activities of the New Haven Unified School District (the District) using the integrated approach as prescribed by GASB Statement Number 34.

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

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

The *Governmental Activities* are prepared using the current financial resources measurement focus and modified accrual basis of accounting.

The *Business-Type Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

The *Fiduciary Activities* are prepared using the economic resources measurement focus and the accrual basis of accounting.

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

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

The primary unit of the government is the New Haven Unified School District.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between assets and deferred outflows or resources and liabilities and deferred inflows of resources, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position will serve as a useful indicator of whether the financial position is improving or deteriorating. Other factors to consider are changes in the District's property tax base and the condition of the District's facilities.

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

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

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

Business-type activities - The District charges fees to help it cover the costs of certain services it provides. The District's Kids First program is accounted for in the business-type activities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

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

Governmental funds - Most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides.

Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement.

Proprietary funds - When the District charges users for the services it provides to outside customers, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the *Statement of Net Position* and the *Statement of Revenues, Expenses and Changes in Fund Net Position.* The District operates one proprietary fund, Kids First, that is reported in the government-wide statements as business-type activities and provides more detail and additional information, such as cash flows.

THE DISTRICT AS TRUSTEE

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary,* for funds held on behalf of others, like our funds for associated student body activities, and the Retiree Benefits Funds. The District's fiduciary activities are reported in the *Statement of Fiduciary Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position.* We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

Net Position

The District's net position was $(97.7) million and $(119.1) million for the fiscal years ended 2016, and 2015, respectively. Of this amount, $19.0 million and $18.1 million were restricted for each respective year. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the governing board's ability to use those net position for day-to-day operations. Our analysis below, in summary form, focuses on the net position (Table 1) and change in net position (Table 2) of the District's governmental activities.

Table 1

(Amounts in millions)	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets						
Current and other assets	$ 98.9	$ 53.7	$ 0.6	$ 0.4	$ 99.5	$ 54.1
Capital assets	207.9	209.0	-	-	207.9	209.0
Total Assets	**306.8**	**262.7**	**0.6**	**0.4**	**307.4**	**263.1**
Deferred Outflows of Resources	**22.9**	**7.3**	-	-	**22.9**	7.3
Liabilities						
Current liabilities	12.9	11.7	-	-	12.9	11.7
Long-term obligations	392.8	344.4	-	-	392.8	344.4
Total Liabilities	**405.7**	**356.1**	-	-	**405.7**	**356.1**
Deferred Inflows of Resources	**21.7**	**33.0**	-	-	**21.7**	33.0
Net Position						
Net investment in capital assets	(40.9)	(45.4)	-	-	(40.9)	(45.4)
Restricted	19.0	18.1	-	-	19.0	18.1
Unrestricted	(75.8)	(91.8)	0.6	0.4	(75.2)	(91.4)
Total Position	**$ (97.7)**	**$ (119.1)**	**$ 0.6**	**$ 0.4**	**$ (97.1)**	**$ (118.7)**

In 2016, the $(75.8) million in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - increased by $16 million from the prior year.

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 takes the information from the Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

Table 2

(Amounts in millions)	Governmental Activities		Business-Type Activities		School District Activities	
	2016	2015	2016	2015	2016	2015
Revenues						
Program revenues:						
Charges for services	$ 2.7	$ 2.2	$ 1.8	$ 1.6	$ 4.5	$ 3.8
Operating grants and contributions	30.8	29.8	-	-	30.8	29.8
Capital grants and contributions	0.4	-	-	-	0.4	-
General revenues:						
Federal and State aid not restricted	76.9	69.1	-	-	76.9	69.1
Property taxes	45.7	37.7	-	-	45.7	37.7
Other general revenues	2.4	7.4	-	-	2.4	7.4
Total Revenues	**158.9**	**146.2**	**1.8**	**1.6**	**160.7**	**147.8**
Expenses						
Instruction-related	101.5	98.0	-	-	101.5	98.0
Student support services	13.2	11.4	-	-	13.2	11.4
Administration	6.0	6.5	-	-	6.0	6.5
Maintenance and operations	11.4	10.8	-	-	11.4	10.8
Other	5.5	26.7	1.6	1.6	7.1	28.3
Total Expenses	**137.6**	**153.4**	**1.6**	**1.6**	**139.2**	**155.0**
Change in Net Position	**$ 21.3**	**$ (7.2)**	**$ 0.2**	**$ -**	**$ 21.5**	**$ (7.2)**

Governmental Activities

As reported in the *Statement of Activities*, the cost of all of our governmental activities this year was $158.9 million. The amount that taxpayers ultimately financed for these activities through local taxes was $45.7 million. The cost paid by those who benefited from programs was $2.7 million and the cost subsidized by governments and organizations for certain programs with grants and contributions $31.2 million. The District paid for the remaining portion of governmental activities with $76.9 million Federal and State funds and with other revenues, like interest and general entitlements.

In Table 3, we have presented the cost and net cost of each of the District's largest functions: regular program instruction, special instruction programs, other instructional programs, plant services, student transportation services, and school food services. As discussed above, net cost shows the financial burden that was placed on the District's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

Table 3

(Amounts in millions)	Total Cost of Services		Net Cost of Services	
	2016	2015	2016	2015
Instruction - related	$ 101.5	$ 98.0	$ 76.8	$ 75.4
Student support services	13.2	11.4	8.0	6.4
Administration	6.0	6.5	5.0	5.2
Maintenance and operations	11.4	10.8	10.6	9.9
Other	5.5	26.7	3.3	25.4
Total	**$ 137.6**	**$ 153.4**	**$ 103.7**	**$ 122.3**

THE DISTRICT'S FUNDS

As the District completed this year, our governmental funds reported a combined fund balance of $89.4 million, which is an increase of $44.1 million from last year. This increase is derived mostly from the proceeds from the bond issuance.

General Fund Budgetary Highlights

Effective 2013-2014 the State transitioned to a new method of calculating funding allocation to school districts, called the Local Control Funding Formula (LCFF). The transition to the new formula is phased in over eight years, 2020-21 target year. At 2015-2016 budget adoption the district projected receiving transition funding of GAP 53.08% or $9,758,755. The District closed the year with a GAP of 52.56% or $9,678,754.

CAPITAL ASSET & DEBT ADMINISTRATION

Capital Assets

At June 30, 2016, the District had $207.9 million in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease of $1.1 million. There are no capital assets recorded in the business-type activities.

Table 4

(Amounts in millions)	Governmental Activities	
	2016	2015
Land and construction in progress	$ 25.1	$ 20.6
Buildings and improvements	301.3	300.2
Equipment	8.7	8.3
Less: Accumulated depreciation	(127.2)	(120.1)
Total	**$ 207.9**	**$ 209.0**

Expenditures were funded from proceeds from debt issued in the prior years, state capital projects funds, and grants. We present more detailed information about our capital assets in Note 5 to the financial statements.

Long-Term Obligations

At the end of this year, the District's long-term obligations increased by $29.5 million or 11.7% from $251.0 million to $280.5 million in the current year. Long-term obligations are only recorded in the governmental activities in the government-wide Statement of Net Position. Long-term obligations outstanding as of June 30, 2016 are as follows:

Table 5

(Amounts in millions)	Governmental Activities	
	2016	2015
General obligation bonds (financed with property taxes)	$ 278.1	$ 249.0
Accumulated vacation	0.9	0.7
Other post employment benefits	1.5	1.3
Total	**$ 280.5**	**$ 251.0**

The District's most recent general obligation bond rating was "Aa3" from Moody's and "AAA" from Fitch Ratings. The State limits the amount of general obligation debt that Unified School Districts can issue up to 2.5 percent of the assessed value of all taxable property within the District's boundaries. Based on 2016 assessed value (AV), our bonding capacity is $265.2 million. The District's outstanding general obligation debt as of June 30, 2016 is $214.8 million (excluding the accretions to date of $37.9 million and bond premiums of $24.2 million).

NET PENSION LIABILITIES (NPL)

As of June 30, 2016, the District reported $22.9 million in deferred outflows of resources related to pension, $21.7 million in deferred inflows of resources related to pension, and $112.3 million in net pension liability.

SIGNIFICANT ACCOMPLISHMENTS OF FISCAL YEAR 2015-16 ARE NOTED BELOW:

The Local Control Funding Formula (LCFF) and the Local Control Accountability Plan (LCAP), that was enacted in fiscal year 2013-14 is now fully embraced and being implemented in accordance with the law: base grant, supplemental and concentration grants in place of the previous k-12 funding stream that included revenue limits. Fiscal Year 2015-16 provided the largest per-student dollar increase that the District has seen in years.

As required by LCAP, the District continued to assess student achievement by way of Smarter Balanced Assessments and teacher effectiveness. The District continued to include all stakeholders in the development of the LCAP. Four meeting were held with the Guiding Coalition on October 28, 2015, January 7, 2016, March 8, 2016 and April 28, 2016.

The federal program Race to the Top funding has allowed the District to continue efforts in ensuring that all K-12 students acquire critical literacy and mathematics abilities, while emphasizing real world applications and empowering students with 21st century skills.

With the successful passage of General Obligation Bond Measure M, the District has made tremendous progress in maintaining aging facilities by way of refurbishing and modernizing our buildings. Importantly, this measure enhanced technology across our school district, thereby supporting our vision for our students to be college and career-ready. This would not have been possible without the unwavering support of the New Haven community.
2014-General Obligation Bonds, Series A in the amount of $30 million was issued in October 2015. With these funds the District began construction projects, which included modernization in some of our campuses, construction of new parking lots, installation of solar technology, and building a state-of-the art track and field at James Logan High School. Another exciting event for our District for this coming school year is the planning of the first 21st century learning environment at Itliong-Vera Cruz Middle School. This project is slated for completion in fiscal year 2016-17. Alongside building and modernizing, the Technology Department began implementing the Technology Plan for Measure M, with the purchase of additional Chromebook devices for incoming 6th and 9th graders. The District has also started phasing in the replacement of printers at all school site offices and classrooms.

The sale of Cabello property finalized in January 2015, the sale brought in net revenue of $13,763,115. Board Policy #3100.1 requires the district to maintain a total of 10% reserve between the Fiscal Stabilization Funds (7%) and the state required Minimum Fund Balance (3%). Board Resolution No. 005-1314, and approved by the State Allocation Board (SAB), directs the District to allocate $9.8 million to the District's Fiscal Stabilization Fund. An additional $2.8 million towards Other Post-Employment Health Benefits and $1,163 million for facilities related projects. As an added note, funds from the Retiree post-employment benefits and facilities projects allocations are being drawn down on an as needed basis. There is remaining $1.3 million in the Retiree post-employment funds and $1.1 million in the Facilities project funds. Along with the Fiscal Stabilization funds the District closed the year with a positive ending balance to begin the next school year.

BUDGET OUTLOOK AND ACCOMPLISHMENTS FOR 2016-17

The District has made tremendous progress towards becoming a 21st century school district, educating and preparing students for what lies ahead of them. Personalized learning, where student strengths and assets are tapped into and built upon "deeper learning through collaboration and technology integration" is becoming institutionalized and a way life across the district. Our focus on equity as we commit to taking students from where they are and assuring they achieve in high levels is second to none.

The District has three major areas of instructional Focus: 1) Equity and Access, 2) College and Career Readiness, and 3) Engagement and Personalization. The goal of all of these is that students will have expanded options as they navigate their educational path. Each of the three areas will be addressed differently at four junctures in the system – TK through 3rd grade have developed a set of expectations and commitments. Grades 4 and 5 have developed a set of expectations and commitments. The middle grades, 6 through 8, have a set of expectations and commitments, and grades 9 through 12 have their expectations and commitments. At each transition point, students should be prepared for the next level.

In December 2012, the District was awarded $29.3 million in Race to the Top – District funds. The award budget and performance period is from 12/27/2012 – 12/26/2016. The funds have been utilized to expand comprehensive K -12 reform strategies that focused on making sure that students acquire Critical Literacy and mathematics skills across the entire grade span while emphasizing real world application and broader competencies that empower students with 21st Century skills. RTTT funds will be fully utilized by June 2017.

The State has committed its promise to release more funding towards education services. Funding releases are reflected below.

- The final State Adopted budget released an additional 54.18% of GAP funding. This brings the LCFF funding released to District close to 96% of the targeted LCFF funds in just four years.
- Discretionary one-time funding was released equal to $214/ADA.

Certainly a lot of positive outcomes have manifested this past year. While we must remain cognizant that education funding is dependent on an unstable state economy, we must also take a moment to recognize that our financial health as a District is stabilized. The negative outlook bestowed upon our District by oversight and bond rating agencies years ago is now replaced by an outstanding bond rating and strong reserves. This helps us focus even more on student achievement while at the same time, puts us in better position to sustain our level of investment to our staff by way of competitive salaries, benefits, and growth opportunities. This does not happen by accident. Thoughtful planning and foresight are critical to our financial stability; and while these often take the form of hard conversations and tough decisions, we also recognize that meaningful dialogues, trust, and teamwork with our employee groups are just as essential.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, students, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need any additional financial information, contact the Chief Business Official, Business Services, at New Haven Unified School District, 34200 Alvarado Niles Road, Union City, California, 94587.

NEW HAVEN UNIFIED SCHOOL DISTRICT

STATEMENT OF NET POSITION
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Deposits and investments	$ 92,513,044	$ 566,453	$ 93,079,497
Receivables	6,264,645	5,568	6,270,213
Prepaid expenses	13,946	-	13,946
Stores inventories	95,762	-	95,762
Capital assets not depreciated	25,067,920	-	25,067,920
Capital assets, net of accumulated depreciation	182,827,972	-	182,827,972
Total Assets	306,783,289	572,021	307,355,310
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	22,878,498	-	22,878,498
LIABILITIES			
Accounts payable	9,401,184	2,354	9,403,538
Interest payable	3,382,875	-	3,382,875
Unearned revenue	94,732	-	94,732
Current portion of long-term obligations other than pensions	11,063,314	-	11,063,314
Noncurrent portion of long-term obligations other than pensions	269,431,687	-	269,431,687
Aggregate net pension liability	112,330,671	-	112,330,671
Total Liabilities	405,704,463	2,354	405,706,817
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	21,737,007	-	21,737,007
NET POSITION			
Invested in capital assets, net of related debt	(40,939,005)	-	(40,939,005)
Restricted for:			
Debt service	12,604,214	-	12,604,214
Capital projects	725,976	-	725,976
Legally restricted programs	5,221,596	-	5,221,596
Other activities	485,098	-	485,098
Unrestricted	(75,877,562)	569,667	(75,307,895)
Total Net Position	$ (97,779,683)	$ 569,667	$ (97,210,016)

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

		Program Revenues		
Functions/Programs	**Expenses**	**Charges for Services and Sales**	**Operating Grants and Contributions**	**Capital Grants and Contributions**
Governmental Activities:				
Instruction	$ 82,014,949	$ 138,448	$ 16,640,545	$ 394,539
Instruction-related activities:				
Supervision of instruction	9,372,338	11,472	6,307,842	-
Instructional library, media, and technology	1,574,742	451	833,416	-
School site administration	8,510,298	21,949	325,193	-
Pupil services:				
Home-to-school transportation	2,650,675	-	18,201	-
Food services	4,060,320	817,954	2,296,989	-
All other pupil services	6,439,368	28,000	1,982,780	-
General administration:				
Data processing	1,597,471	3,761	1,785	-
All other general administration	4,402,865	43,716	964,248	-
Plant services	11,418,447	159,512	653,619	-
Ancillary services	1,245,927	56,373	57,999	-
Community services	97,600	-	9,553	-
Enterprise services	167,614	-	596	-
Interest on long-term debt	2,688,285	-	-	-
Other outgo	1,321,112	1,373,164	712,459	-
Total Governmental-Type Activities	137,562,011	2,654,800	30,805,225	394,539
Business-Type Activities				
Enterprise services	1,589,065	1,753,571	1,047	-
Total School District	$139,151,076	$ 4,408,371	$ 30,806,272	$ 394,539

General revenues and subventions:
- Property taxes, levied for general purposes
- Property taxes, levied for debt service
- Taxes levied for other specific purposes
- Federal and State aid not restricted to specific purposes
- Interest and investment earnings
- Miscellaneous

Subtotal, General Revenues

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
$ (64,841,417)	$ -	$ (64,841,417)
(3,053,024)	-	(3,053,024)
(740,875)	-	(740,875)
(8,163,156)	-	(8,163,156)
(2,632,474)	-	(2,632,474)
(945,377)	-	(945,377)
(4,428,588)	-	(4,428,588)
(1,591,925)	-	(1,591,925)
(3,394,901)	-	(3,394,901)
(10,605,316)	-	(10,605,316)
(1,131,555)	-	(1,131,555)
(88,047)	-	(88,047)
(167,018)	-	(167,018)
(2,688,285)	-	(2,688,285)
764,511	-	764,511
(103,707,447)	-	(103,707,447)
-	165,553	165,553
(103,707,447)	165,553	165,553
28,566,354	-	28,566,354
16,611,285	-	16,611,285
535,797	-	535,797
76,898,336	-	76,898,336
149,620	1,843	151,463
2,232,039	-	2,232,039
124,993,431	1,843	124,995,274
21,285,984	167,396	21,453,380
(119,065,667)	402,271	(118,663,396)
$ (97,779,683)	$ 569,667	$ (97,210,016)

NEW HAVEN UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2016

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non Major Governmental Funds	Total Governmental Funds
ASSETS					
Deposits and investments	$ 39,535,832	$ 29,273,786	$ 15,974,098	$ 7,729,328	$ 92,513,044
Receivables	6,131,280	20,793	12,991	99,581	6,264,645
Due from other funds	243,967	210,636	-	723,395	1,177,998
Prepaid expenses	13,946	-	-	-	13,946
Stores inventories	-	-	-	95,762	95,762
Total Assets	$ 45,925,025	$ 29,505,215	$ 15,987,089	$ 8,648,066	$ 100,065,395
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 7,875,985	$ 1,318,980	$ -	$ 206,219	$ 9,401,184
Due to other funds	945,651	1,670	-	230,677	1,177,998
Unearned revenue	94,732	-	-	-	94,732
Total Liabilities	8,916,368	1,320,650	-	436,896	10,673,914
Fund Balances:					
Nonspendable	61,946	-	-	98,262	160,208
Restricted	5,221,596	28,184,565	15,987,089	4,138,206	53,531,456
Committed	8,369,977	-	-	3,087,193	11,457,170
Assigned	1,655,834	-	-	887,509	2,543,343
Unassigned	21,699,304	-	-	-	21,699,304
Total Fund Balance	37,008,657	28,184,565	15,987,089	8,211,170	89,391,481
Total Liabilities and Fund Balances	$ 45,925,025	$ 29,505,215	$ 15,987,089	$ 8,648,066	$ 100,065,395

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016

Total Fund Balance - Governmental Funds		**$ 89,391,481**
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds.		
The cost of capital assets is	$ 335,133,103	
Accumulated depreciation is	(127,237,211)	
Net Capital Assets		207,895,892
In governmental funds, unmatured interest on long-term obligations is recognized in the period when it is due. On the government-wide statements, unmatured interest on long-term obligations is recognized when it is incurred.		(3,382,875)
Deferred inflows and outflows of resources related to pension liability are not recognized on the modified accrual basis, but are amortized over the remaining service life of the member receiving pension benefits.		1,141,491
Net pension liability is not due and payable in the current period, and is not reported as a liability in the funds.		(112,330,671)
Long-term obligations, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds.		
Long-term liabilities at year end consist of:		
Bonds payable	(252,738,277)	
Compensated absences (vacations)	(893,368)	
Other postemployment benefits (OPEB)	(1,492,950)	
Premiums, net of amortization	(25,370,406)	
Total Long-Term Obligations		(280,495,001)
Total Net Position - Governmental Activities		**$ (97,779,683)**

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	Building Fund	Bond Interest and Redemption Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Local Control Funding Formula	$ 96,785,333	$ -	$ -	$ -	$ 96,785,333
Federal sources	13,234,679	-	-	2,607,598	15,842,277
Other state sources	15,865,662	-	129,119	2,254,683	18,249,464
Other local sources	8,958,790	107,398	16,525,337	2,379,396	27,970,921
Total Revenues	134,844,464	107,398	16,654,456	7,241,677	158,847,995
EXPENDITURES					
Current					
Instruction	75,842,449	-	-	1,644,309	77,486,758
Instruction-related activities:					
Supervision of instruction	8,848,094	-	-	-	8,848,094
Instructional library, media and technology	1,486,658	-	-	-	1,486,658
School site administration	8,034,273	-	-	-	8,034,273
Pupil services:					
Home-to-school transportation	2,520,214	-	-	-	2,520,214
Food services	-	-	-	3,833,205	3,833,205
All other pupil services	6,079,180	-	-	-	6,079,180
General administration:					
Data processing	1,508,116	-	-	-	1,508,116
All other general administration	3,811,131	-	-	176,044	3,987,175
Plant services	9,573,662	722,192	-	513,571	10,809,425
Facility acquisition and construction	31,467	4,802,951	-	900,824	5,735,242
Ancillary services	1,176,237	-	-	-	1,176,237
Community services	92,140	-	-	-	92,140
Other outgo	1,321,112	-	-	-	1,321,112
Enterprise services	596	-	-	-	596
Debt service					
Principal	-	-	6,209,799	-	6,209,799
Interest and other	4,040	120,000	8,273,586	-	8,397,626
Total Expenditures	120,329,369	5,645,143	14,483,385	7,067,953	147,525,850
Excess (Deficiency) of Revenues Over Expenditures	14,515,095	(5,537,745)	2,171,071	173,724	11,322,145
Other Financing Sources (Uses):					
Transfers in	514,372	100,000	-	832,713	1,447,085
Other sources	-	30,000,000	2,736,957	-	32,736,957
Transfers out	(932,712)	-	-	(514,373)	(1,447,085)
Net Financing Sources (Uses)	(418,340)	30,100,000	2,736,957	318,340	32,736,957
NET CHANGE IN FUND BALANCES	14,096,755	24,562,255	4,908,028	492,064	44,059,102
Fund Balance - Beginning	22,911,902	3,622,310	11,079,061	7,719,106	45,332,379
Fund Balance - Ending	$ 37,008,657	$ 28,184,565	$ 15,987,089	$ 8,211,170	$ 89,391,481

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Total Net Change in Fund Balances - Governmental Funds		**$ 44,059,102**
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:		
Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures; however, for governmental activities, those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expenses in the Statements of Activities.		
This is the amount by which capital depreciation exceeds outlays in the period.		
Depreciation expense	$ (7,151,592)	
Capital outlays, net of adjustment	6,039,916	
Net Expense Adjustment		(1,111,676)
Deferred charges related to the prior refunding bonds		8,330,111
In the Statement of Activities, certain operating expenses, such as compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). Vacation used was less than the amounts earned.		(200,104)
In the Statement of Activities, certain operating expenses, such as other post employment benefits are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid).		(179,451)
In the governmental funds, pension costs are based on employer contributions made to pension plans during the year. However, in the Statement of Activities, pension expense is the net effect of all changes in the deferred outflows, deferred inflows and net pension liability during the year.		(464,071)
Payment of principal on long-term obligations, such as for bonds (including amortization of premiums) and capital leases, is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position and does not affect the Statement of Activities.		6,209,800
Current year interest accretion for the capital appreciation bonds.		(4,171,067)
Current year amortization of bond premiums.		1,598,973
Proceeds from issuance of bonds are recorded as revenue in the funds when received, but increases long-term liabilities in the Statement of Net Poistion and does not affect the Statement of Activities.		(32,736,957)
Interest on long-term obligations is recorded as an expenditure in the funds when it is due; however, in the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.		(48,676)
Change in Net Position of Governmental Activities		**$ 21,285,984**

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2016

	Business-Type Activities Enterprise Fund Kids First
ASSETS	
Current Assets	
Deposits and investments	$ 566,453
Receivables	5,568
Total Current Assets	572,021
Total Assets	572,021
LIABILITIES	
Current Liabilities	
Accounts payable	2,354
Total Current Liabilities	2,354
NET POSITION	
Unrestricted	569,667
Total Net Position	$ 569,667

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Business-Type Activities Enterprise Fund
	Kids First
OPERATING REVENUES	
Local and intermediate sources	$ 1,753,571
Total Operating Revenues	1,753,571
OPERATING EXPENSES	
Payroll costs	1,439,768
Supplies and materials	24,588
Other operating cost	124,709
Total Operating Expenses	1,589,065
Operating Income	164,506
NONOPERATING REVENUES	
Interest income	1,843
Grants	1,047
Total Nonoperating Revenues	2,890
Change in Net Position	167,396
Total Net Position - Beginning	402,271
Total Net Position - Ending	$ 569,667

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2016

		Business-Type Activities Enterprise Fund Kids First
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from user charges	$	1,755,116
Cash payments to employees for services		(1,439,768)
Cash payments to suppliers for goods and services		(148,345)
Net Cash Provided From Operating Activities		167,003
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Nonoperating grants received		1,047
Net Cash Provided from Noncapital Financing Activities		1,047
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments		1,843
Net Cash Provided from Investing Activities		1,843
Net Change in Cash and Cash Equivalents		169,893
Cash and Cash Equivalents - Beginning		396,560
Cash and Cash Equivalents - Ending	$	566,453
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	$	164,506
Adjustments to reconcile operating income to net cash provided by operating activities:		
Changes in assets and liabilities:		
Receivables		1,545
Accrued liabilities		952
NET CASH PROVIDED FROM OPERATING ACTIVITIES	$	167,003

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF NET POSITION
JUNE 30, 2016

	Retiree Benefits Trusts	Agency Funds
ASSETS		
Deposits and investments	$ 438,929	$ 339,064
Receivables	533,495	-
Total Assets	972,424	$ 339,064
LIABILITIES		
Overdrafts	98,185	-
Accounts payable	457,433	-
Due to student groups	-	$ 339,064
Total Liabilities	555,618	$ 339,064
NET POSITION		
Held in trust	416,806	
Total Net Position	$ 416,806	

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

NEW HAVEN UNIFIED SCHOOL DISTRICT

FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2016

	Retiree Benefits Trusts
ADDITIONS	
District contributions	$ 457,773
Interest and investment earnings, net	534,230
Total Additions	992,003
DEDUCTIONS	
Benefits paid	1,168,096
Administrative costs	61,160
Total Deductions	1,229,256
Change in Net Position	(237,253)
Net Position - Beginning	654,059
Net Position - Ending	$ 416,806

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The New Haven Unified School District was unified in 1965 under the laws of the State of California. The District operates under a locally elected five-member Board form of government and provides educational services to grades K – 12 as mandated by the State and/or Federal agencies. The District operates eight elementary, three middle schools, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program.

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

Component Units

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete. The District has no component units.

Basis of Presentation - Fund Accounting

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

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

Major Governmental Funds

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

One fund currently defined as special revenue funds in the California State Accounting Manual (CSAM) does not meet the GASB Statement No. 54 special revenue fund definition. Specifically, Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects is not substantially composed of restricted or committed revenue source. While this fund is authorized by statute and will remain open for internal reporting purposes, this fund functions effectively as extensions of the General Fund, and accordingly has been combined with the General Fund for presentation in these audited financial statements.

In addition, under the flexibility provisions of current statute that allow certain formerly restricted revenues to be used for any educational purpose, Fund 11, Adult Education Fund does not currently meet the definition of a special revenue fund as this fund is no longer primarily composed of restricted or committed revenue sources.

As a result, the General Fund reflects an increase in assets, fund balance and revenues of $933,084, $890,061, and $651,306, respectively.

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

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

Non-Major Governmental Funds

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

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

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

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

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

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

Special Reserve Fund for Capital Outlay Projects - The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes (*Education Code* Section 42840).

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

Enterprise Fund - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The only enterprise fund of the District accounts for the financial transactions related to the child care services of the District operated under the name of Kids First.

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

Trust funds are used to account for the assets held by the District under a trust agreement for individuals, private organizations, or other governments and are therefore, not available to support the District's own programs. The District's trust funds are the three Retiree Benefit Trusts.

The three retiree benefits trusts are as follows:

- New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees
- New Haven Retired Employee Health and Welfare Benefit Trust for Board and Superintendent

The trustees of the New Haven Retired Employee Health and Welfare Benefit Trust for Certificated and Management Employees and the New Haven Retired Employee Health and Welfare Benefit Trust for Classified Employees are comprised of separate boards not controlled by the District Board of Education. Although these two trusts are not controlled by the District, the District does act as the administrator for processing transactions for these two trusts under an administrative agreement with the trusts' boards. As administrator for these two trusts the district reports only the activity of the funds it manages, and does not include the funds held by the investment custodian.

The trustee for the New Haven Retired Employee Health and Welfare Benefit Trust for the Board and Superintendent is the District. Therefore, this trust is both controlled by, and administered by, the District.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time. The District's agency fund accounts for student body activities (ASB).

Basis of Accounting - Measurement Focus

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

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

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

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

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

Proprietary Funds - Proprietary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of this fund are included in the statement of net position. The statement of changes in fund net position presents increases (revenues) and decreases (expenses) in net total assets. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary fund.

Fiduciary Funds - Fiduciary funds are accounted for using the flow of economic resources measurement focus and the accrual basis of accounting. Fiduciary funds are excluded from the government-wide financial statements because they do not represent resources of the District.

Revenues – Exchange and Non-Exchange Transactions - Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter, to be used to pay liabilities of the current fiscal year. Generally, available is defined as collectible within 45 or 60 days. However, to achieve comparability of reporting among California districts and so as not to distort normal revenue patterns, with specific respect to reimbursement grants and corrections to State-aid apportionments, the California Department of Education has defined available for districts as collectible within one year. The following revenue sources are considered to be both measurable and available at fiscal year-end: State apportionments, interest, certain grants, and other local sources.

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

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

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

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

Cash and Cash Equivalents

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

Investments

Investments held at June 30, 2016, with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost. Fair values of investments in county and State investment pools are determined by the program sponsor.

Prepaid Expenditures

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

Stores Inventories

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

Capital Assets and Depreciation

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

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

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

Depreciation is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 30 to 50 years; improvements/infrastructure, 10 to 40 years; equipment, 5 to 15 years.

Interfund Balances

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

Compensated Absences

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

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

Accrued Liabilities and Long-Term Obligations

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

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

Debt Issuance Costs, Premiums and Discounts

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

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

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position also reports deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The District reports deferred outflows of resources for pension related items.

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

Pensions

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

Fund Balances – Governmental Funds

As of June 30, 2016, fund balances of the governmental funds are classified as follows:

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

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

Committed – amounts that can be used only for specific purposes determined by a formal action of the governing board. The governing board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolution or other action as approved by the governing board.

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

Unassigned – all other spendable amounts.

Spending Order Policy

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

Minimum Fund Balance Policy

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

Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The government-wide financial statements report $19,036,884 of restricted net position.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the District, these revenues are fees collected from the child care centers. Operating expenses are necessary costs incurred to provide the child care services, which is the primary activity of the fund. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Interfund Activity

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

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

Estimates

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

Budgetary Data

The budgetary process is prescribed by provisions of the California Education Code and requires the governing board to hold a public hearing and adopt an operating budget no later than July 1st of each year. The District governing board satisfied these requirements. The adopted budget is subject to amendment throughout the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of budget adoption with the legal restriction that expenditures cannot exceed appropriations by major object account.

The amounts reported as the original budgeted amounts in the budgetary statements reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary statements reflect the amounts after all budget amendments have been accounted for. For budget purposes, on behalf payments have not been included as revenue and expenditures as required under generally accepted accounting principles.

Property Tax

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

Change in Accounting Principles

In February 2015, the GASB issued Statement No. 72, *Fair Value Measurement and Application.* This Statement addresses accounting and financial reporting issues related to fair value measurements. The definition of *fair value* is 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. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The District has implemented the provisions of this Statement as of June 30, 2016.

In June 2015, the GASB issued 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.* The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pension Plans*, and Statement No. 68 for pension plans and pensions that are within their respective scopes.

The provisions in this Statement effective as of June 30, 2016, include the provisions for assets accumulated for purposes of providing pensions through defined benefit plans and the amended provisions of Statements No. 67 and No. 68. The District has implemented these provisions as of June 30, 2016. The provisions in this Statement related to defined benefit pensions that are not within the scope of Statement No. 68 are effective for periods beginning after June 15, 2016.

In June 2015, the GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles (GAAP). The "GAAP hierarchy" consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and non-authoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*.

The District has implemented the provisions of this Statement as of June 30, 2016.

In December 2015, the GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. This Statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. An external investment pool qualifies for that reporting if it meets all of the applicable criteria established in this Statement. The specific criteria address (1) how the external investment pool transacts with participants; (2) requirements for portfolio maturity, quality, diversification, and liquidity; and (3) calculation and requirements of a shadow price. Significant noncompliance prevents the external investment pool from measuring all of its investments at amortized cost for financial reporting purposes. Professional judgment is required to determine if instances of noncompliance with the criteria established by this Statement during the reporting period, individually or in the aggregate, were significant.

If an external investment pool does not meet the criteria established by this Statement, that pool should apply the provisions in paragraph 16 of Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, as amended. If an external investment pool meets the criteria in this Statement and measures all of its investments at amortized cost, the pool's participants also should measure their investments in that external investment pool at amortized cost for financial reporting purposes. If an external investment pool does not meet the criteria in this Statement, the pool's participants should measure their investments in that pool at fair value, as provided in paragraph 11 of Statement No. 31, as amended.

This Statement establishes additional note disclosure requirements for qualifying external investment pools that measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Those disclosures for both the qualifying external investment pools and their participants include information about any limitations or restrictions on participant withdrawals.

The District has implemented the provisions of this Statement as of June 30, 2016.

New Accounting Pronouncements

In June 2015, the GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.* The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces Statements No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. It also includes requirements for defined contribution OPEB plans that replace the requirements for those OPEB plans in Statement No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, as amended, Statement No. 43, and Statement No. 50, *Pension Disclosures*.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2016. Early implementation is encouraged.

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension.* The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits (pensions and OPEB) with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

This Statement replaces the requirements of Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, as amended, and No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for OPEB plans.

The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2017. Early implementation is encouraged.

In August 2015, the GASB issued Statement No. 77, *Tax Abatement Disclosures*. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

- Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
- The gross dollar amount of taxes abated during the period
- Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Early implementation is encouraged.

In December 2015, the GASB issued Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*. The objective of this Statement is to address a practice issue regarding the scope and applicability of Statement No. 68, *Accounting and Financial Reporting for Pensions*. This issue is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions.

Prior to the issuance of this Statement, the requirements of Statement No. 68 applied to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts that meet the criteria in paragraph 4 of that Statement.

This Statement amends the scope and applicability of Statement No. 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that (1) is not a state or local governmental pension plan, (2) is used to provide defined benefit pensions both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers, and (3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). This Statement establishes requirements for recognition and measurement of pension expense, expenditures, and liabilities; note disclosures; and required supplementary information for pensions that have the characteristics described above.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2015. Early implementation is encouraged.

In January 2016, the GASB issued Statement No. 80, *Blending Requirements for Certain Component Units - amendment of GASB Statement No. 14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity, as amended*. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Early implementation is encouraged.

In March 2016, the GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of this Statement is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period.

The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Early implementation is encouraged.

In March 2016, the GASB issued Statement No. 82, *Pension Issues - An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and 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*. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Early implementation is encouraged.

NOTE 2 – DEPOSITS AND INVESTMENTS

Summary of Deposits and Investments

Deposits and investments as of June 30, 2016, are classified in the accompanying financial statements as follows:

Governmental activities	$ 92,513,044
Business-type activities	566,453
Fiduciary funds	777,993
Total Deposits and Investments	$ 93,857,490

Deposits and investments as of June 30, 2016, consist of the following:

Cash on hand and in banks	$	811,516
Cash in revolving		50,500
Investments		92,995,474
Total Deposits and Investments	$	93,857,490

Policies and Practices

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

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

General Authorizations

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

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

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by investing in the County Pool. The fair value of the County Cash Pool was $93,244,503 and the weighted average maturity was 376 days.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investments in the County pool are not required to be rated, nor have they been rated as of June 30, 2016.

Custodial Credit Risk - Deposits

This is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. However, the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agency. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2016, approximately $215,000 of the District's bank balances were exposed to custodial credit risk because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the name of the District.

NOTE 3 - FAIR VALUE MEASUREMENTS

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

Level 1 - Quoted prices in active markets for identical assets that the District has the ability to access at the measurement date. Level 1 assets may include debt and equity securities that are traded in an active exchange market and that are highly liquid and are actively traded in over-the-counter markets.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets in active markets, quoted prices for identical or similar assets in markets that are not active, or other inputs that are observable, such as interest rates and curves observable at commonly quoted intervals, implied volatilities, and credit spreads. For financial reporting purposes, if an asset has a specified term, a Level 2 input is required to be observable for substantially the full term of the asset.

Level 3 - Unobservable inputs should be developed using the best information available under the circumstances, which might include the District's own data. The District should adjust that data if reasonable available information indicates that other market participants would use different data or certain circumstances specific to the District are not available to other market participants.

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

The District's fair value measurements are as follows at June 30, 2016:

		Fair Value Measurements Using			
		Level 1	Level 2	Level 3	
Investment Type	Fair Value	Inputs	Inputs	Inputs	Uncategorized
County Pool	$ 93,244,503	$ -	$ -	$ -	$93,244,503

All assets have been valued using a market approach, with quoted market prices.

NOTE 4 - RECEIVABLES

Receivables at June 30, 2016, consisted of intergovernmental grants, entitlements, interest and other local sources. All receivables are considered collectible in full.

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total	Proprietary Funds	Fiduciary Funds
Federal Government							
Categorical aid	$ 2,462,571	$ -	$ -	$ 89,261	$ 2,551,832	$ -	$ -
State Government							
Categorical aid	851,784	-	-	4,456	856,240	-	-
Lottery	1,186,320	-	-	-	1,186,320	-	-
Other State	215,834	-	-	-	215,834	-	-
Local Government							
Interest	30,781	20,793	12,991	5,864	70,429	424	50
Other local sources	1,383,990	-	-	-	1,383,990	5,144	533,445
Total	$ 6,131,280	$ 20,793	$ 12,991	$ 99,581	$ 6,264,645	$ 5,568	$ 533,495

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016, was as follows:

	Balance July 1, 2015	Additions	Deductions	Balance June 30, 2016
Governmental Activities				
Capital Assets Not Being Depreciated:				
Land	$ 20,297,373	$ -		$ 20,297,373
Construction in Progress	259,892	4,762,697	252,042	4,770,547
Total Capital Assets Not Being Depreciated	20,557,265	4,762,697	252,042	25,067,920
Capital Assets Being Depreciated:				
Land Improvements	25,254,978	97,165		25,352,143
Buildings and Improvements	274,955,678	1,016,383		275,972,061
Furniture and Equipment	8,325,266	415,713		8,740,979
Total Capital Assets Being Depreciated	308,535,922	1,529,261	-	310,065,183
Total Capital Assets	329,093,187	6,291,958	252,042	335,133,103
Less Accumulated Depreciation:				
Land Improvements	22,278,415	439,679		22,718,094
Buildings and Improvements	91,954,289	6,122,185		98,076,474
Furniture and Equipment	5,852,915	589,728		6,442,643
Total Accumulated Depreciation	120,085,619	7,151,592	-	127,237,211
Governmental Activities Capital Assets, Net	$ 209,007,568	$ (859,634)	$ 252,042	$ 207,895,892

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

Governmental Activities	
Instruction	$ 4,302,893
Supervision of Instruction	492,357
Instructional Library Media and Technology	82,726
School Administration	447,072
Pupil Transportation	140,239
Food Services	213,301
Other Pupil Services	338,280
Ancillary Services	65,452
Community Services	5,127
Enterprise	156,860
Other General Administration	221,869
Data Processing Services	83,920
Plant Maintenance and Operations	601,497
Total Depreciation Expenses Governmental Activities	$ 7,151,592

NOTE 6 – INTERFUND TRANSACTIONS

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Interfund receivable and payable balances at June 30, 2016, between major and non-major governmental funds, non-major enterprise funds, internal service funds, and fiduciary funds are as follows:

	Due From			
Due To	General Fund	Building Fund	Non-Major Governmental Funds	Total
General Fund	$ 11,620	$ 210,636	$ 723,395	$ 945,651
Building Fund	1,670	-	-	1,670
Non-Major Governmental Funds	230,677	-	-	230,677
Total	$ 243,967	$ 210,636	$ 723,395	$ 1,177,998

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

Operating Transfers

Interfund transfers for the year ended June 30, 2016, consisted of the following:

	Transfer From			
Transfer To	General Fund	Building Fund	Non-Major Funds	Total
General Fund	$ -	$ 100,000	$ 832,712	$ 932,712
Non-Major Governmental Funds	514,373	-	-	514,373
Total	$ 514,373	$ 100,000	$ 832,712	$ 1,447,085

The General Fund transferred to the Adult Education Fund for CDE Corrective Action.	$ 33,150
The Special Reserve Fund transferred to the General Fund for 2016-17 Fiscal Year Health and Welfare contribution from Cabello Sale Proceeds.	457,774
The Adult Fund transferred to the Special Reserve Funds to pay back the June 2015 temporary borrowed amount.	200,000
The General Fund transferred to the Child Nutrition Fund for the CACFP Audit Response.	537,963
The General Fund transferred to the Building Fund for the Comcast JLHS CTE Project.	100,000
The General Fund transferred to the Child Nutrition Fund for the 2016-2017 Fiscal Year Student Unpaid Meals.	61,600
The Child Development Fund transferred to the General Fund for Indirect Costs.	56,599
Total	$ 1,447,085

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

NOTE 7 - ACCOUNTS PAYABLE

Accounts payable at June 30, 2016, consisted of the following:

	General Fund	Building Fund	Non-Major Funds	Total Governmental Funds	Proprietary Funds	Fiduciary Funds
Vendor payables	$ 2,470,955	$ 1,318,980	$ 206,219	$ 3,996,154	$ 2,354	$ 457,433
Salaries and benefits	5,405,030	-	-	5,405,030	-	-
Total	$ 7,875,985	$ 1,318,980	$ 206,219	$ 9,401,184	$ 2,354	$ 457,433

NOTE 8 - UNEARNED REVENUE

Unearned revenue at June 30, 2016, consists of Federal financial assistance of $94,732

NOTE 9 - LONG-TERM OBLIGATIONS

Summary

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

	Balance July 1, 2015	Addition	Accretion	Deductions	Balance June 30, 2016	Due in One Year
General obligation bonds	$ 224,777,009	$ 30,000,000	$ 4,171,068	$ 6,209,800	$ 252,738,277	$ 9,464,341
Add: Premium	24,232,422	2,736,957	-	1,598,973	25,370,406	1,598,973
Subtotal general obligation bonds	249,009,431	32,736,957	4,171,068	7,808,773	278,108,683	11,063,314
Accumulated vacation - net	693,264	200,104	-	-	893,368	-
OPEB liability	1,313,499	1,255,000	-	1,075,549	1,492,950	-
Net pension liability	93,380,085	18,950,586	-	-	112,330,671	-
	$ 344,396,279	$ 53,142,647	$ 4,171,068	$ 8,884,322	$ 392,825,672	$ 11,063,314

Payments on the general obligation bonds are made by the bond interest and redemption fund with local revenues. The accrued vacation and pension liabilities will be paid by the fund for which the employee worked. OPEB liability will be paid by the Retiree Benefits Trust.

On October 8, 2014, the District issued the 2014 Refunding Bonds Series A and B in the amounts of $50,375,000 and $9,315,000. The proceeds were used to advance refund a portion of the outstanding 2003 Series A and B Bonds and a portion of the outstanding 2005 Refunding Bonds. The net proceeds were used to purchase U.S. securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for partial future debt service payments on the 2003 Series A and B refunding Bonds. At June 30, 2016, the balance in the escrow account was $25.7 million.

Bonded Debt

The outstanding general obligation bonded debt is as follows:

Issue Date	Maturity Date	Interest Rate	Original Issue	Bonds Outstanding July 1, 2015	Issued	Interest Accretion	Redeemed	Bonds Outstanding June 30, 2016
2002	2020	3.0-12.0%	$53,785,000	$ 16,050,000	$ -	$ -	$ 3,905,000	$ 12,145,000
2003	2030	4.0-8.0%	29,999,985	24,592,247	-	6,059,865	209,409	30,442,703
2006	2030	4.6-6.0%	16,745,000	5,380,000	-	-	555,000	4,825,000
2006	2033	3.9-8.0%	29,999,346	1,060,000	-	(535,410)	490,391	34,199
2008	2031	3.9-8.0%	29,999,522	34,635,740	-	(1,188,117)	150,000	33,297,623
2009	2034	5.91-7.18%	25,000,928	41,966,024	-	(1,183,645)	-	40,782,379
2009	2021	3.0-5.0%	17,290,000	16,865,000	-	-	900,000	15,965,000
2012	2030	3.0-5.0%	21,688,104	24,537,998	-	1,018,375	-	25,556,373
2014	2032	3.0-5.0%	50,375,000	50,375,000	-	-	-	50,375,000
2014	2021	5.0%	9,315,000	9,315,000	-	-	-	9,315,000
2015	2045	3.0-5.0%	30,000,000	-	30,000,000	-	-	30,000,000
				$ 224,777,009	$ 30,000,000	$ 4,171,068	$ 6,209,800	$ 252,738,277

Debt Service Requirements to Maturity

The bonds mature through 2045 as follows:

Fiscal Year	Principal	Interest to Maturity	Total
2017	$ 9,464,341	$ 7,927,345	$ 17,391,686
2018	11,085,000	7,319,494	18,404,494
2019	10,370,000	6,471,393	16,841,393
2020	11,210,000	5,732,495	16,942,495
2021	12,550,000	5,077,319	17,627,319
2022-2026	45,139,858	19,695,119	64,834,977
2027-2031	62,506,567	12,012,951	74,519,518
2032-2036	37,392,664	4,633,959	42,026,623
2037-2041	6,635,000	2,980,625	9,615,625
2042-2045	8,475,000	1,100,625	9,575,625
Total	214,828,430	$ 72,951,325	$ 287,779,755
Accreted Interest	37,909,846		
	$ 252,738,276		

Accumulated Unpaid Employee Vacation

The long-term portion of accumulated unpaid employee vacation for the District at June 30, 2016, amounted to $893,368.

Other Postemployment Benefits (OPEB) Obligation

The District's annual required contribution for the year ended June 30, 2016, was $1,271,000, and contributions made by the District during the year were $1,075,549. Interest on the net OPEB obligation and adjustments to the annual required contribution were $66,000 and $(82,000), respectively, which resulted in an increase to the net OPEB obligation of $179,451. As of June 30, 2016, the net OPEB obligation was $1,492,950. See Note 10 for additional information regarding the OPEB obligation and the postemployment benefits plan.

NOTE 10 - POSTEMPLOYMENT HEALTH CARE PLAN AND OTHER POSTEMPLOYMENT BENEFITS (OPEB) OBLIGATION

Plan Description

The Postemployment Benefits Plan (the "Plan") is a single-employer defined benefit healthcare plan administered by the New Haven Unified School District. The Plan provides medical and dental insurance benefits to eligible retirees and their spouses. Membership of the Plan consists of 431 retirees and beneficiaries currently receiving benefits and 1,187 active plan members. The Plan is presented in these financial statements as the Retiree Benefits Trust Fund. Separate financial statements are not prepared for the Trust.

Contribution Information

The contribution requirements of plan members and the District are established and may be amended by the District and the bargaining units. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually through the agreements between the District and the bargaining units. For fiscal year 2015-2016, the District contributed $1,075,549 to the plan, all of which was used for current premiums.

Annual OPEB Cost and Net OPEB Obligation

The District's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 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 accrued liabilities (UAAL) (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 to the Plan:

Annual required contribution	$ 1,271,000
Interest on net OPEB obligation	66,000
Adjustment to annual required contribution	(82,000)
Annual OPEB cost (expense)	1,255,000
Contributions made	(1,075,549)
Increase in net OPEB obligation	179,451
Net OPEB obligation, beginning of year	1,313,499
Net OPEB obligation, end of year	$ 1,492,950

Trend Information

Trend information for annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation is as follows:

Year Ended June 30	Annual OPEB Cost	Actual Contribution	Percentage Contributed	Net OPEB Obligation
2016	$ 1,255,000	$ 1,075,549	86%	$ 1,492,950
2015	1,107,000	454,200	41%	1,313,499
2014	748,000	771,820	103%	600,699

Funded Status and Funding Progress

A schedule of funding progress as of the most recent actuarial valuations is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Payroll (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
July 1, 2015	$ 4,441,000	$ 18,158,000	$ 13,717,000	24%	$ 74,276,113	18%

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, investment returns, 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, presented as required supplementary information following the notes to the financial statements, 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.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of 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, 2015, actuarial valuation, the Projected Unit Credit cost method was used. The actuarial assumptions included a 4.0 percent, 6.2 percent, and 7.0 percent investment rates of return (net of administrative expenses) for the Superintendent and the Board, Management, and Classified groups. The UAAL is being amortized at a level dollar method over 30 years on an open basis for the Management and Classified groups, 20 years on an open basis for the Board and Superintendent group. The actuarial value of assets was determined at $4,441,000 in this actuarial valuation. At June 30, 2016, the Trust held net position in the amount of $416,806 which consisted of $533,495 in receivables with the Trust.

NOTE 11 - FUND BALANCES

Fund balances with reservations and designations are composed of the following elements:

	General Fund	Building Fund	Bond Interest and Redemption Fund	Non-Major Governmental Funds	Total
Nonspendable					
Revolving cash	$ 48,000	$ -	$ -	$ 2,500	$ 50,500
Stores inventories	-	-	-	95,762	95,762
Prepaid expenditures	13,946	-	-	-	13,946
Total Nonspendable	61,946	-	-	98,262	160,208
Restricted					
Legally restricted programs	5,221,596	-	-	369,815	5,591,411
Capital projects	-	28,184,565	-	3,768,391	31,952,956
Debt services	-	-	15,987,089	-	15,987,089
Total Restricted	5,221,596	28,184,565	15,987,089	4,138,206	53,531,456
Committed					
Other	8,369,977	-	-	3,087,193	11,457,170
Total Committed	8,369,977	-	-	3,087,193	11,457,170
Assigned					
Deferred maintenance	-	-	-	870,488	870,488
Other	1,655,834	-	-	17,021	1,672,855
Total Assigned	1,655,834	-	-	887,509	2,543,343
Unassigned					
Reserve for economic uncertainties	3,587,133	-	-	-	3,587,133
Undesignated	18,112,171	-	-	-	18,112,171
Total Unassigned	21,699,304	-	-	-	21,699,304
Total	$ 37,008,657	$ 28,184,565	$ 15,987,089	$ 8,211,170	$ 89,391,481

NOTE 12 - RISK MANAGEMENT

Property and Liability

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. During fiscal year ending June 30, 2016, the District purchased commercial insurance for property and liability and general liability insurance coverage. Settled claims have not exceeded coverage in any of the past three years. There has not been a significant reduction in coverage from the prior year.

Workers' Compensation

For fiscal year 2016, the District participated in the Alameda County Schools Insurance Group (ACSIG), an insurance purchasing pool. The intent of the ACSIG is to achieve the benefit of a reduced premium for the District by virtue of its grouping and representation with other participants in the ACSIG. The workers' compensation experience of the participating Districts is calculated as one experience and a common premium rate is applied to all Districts in the ACSIG. Each participant pays its workers ' compensation premium based on its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of each participated school districts. A participant will then either receive money from or be required to contribute to the "equity-pooling fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the ACSIG. Participation in the ACSIG is limited to Districts that can meet the ACSIG selection criteria.

Employee Medical Benefits

The District has contracted with CalPERS to provide employee health benefits. CalPERS is a shared risk pool comprised of nearly 1.3 million members. It offers members and contracting employers three health maintenance organization (HMO) plans, three preferred provider organization (PPO) plans, and three special PPOs for members who belong to specific employee associations. Rates are set through an annual calculation process. The District pays a monthly contribution, which is placed in a common fund from which claim payments are made for all participating districts. Claims are paid for all participants regardless of claims flow. The Board of Directors has a right to return monies to a district subsequent to the settlement of all expenses and claims if a district withdraws from the pool.

NOTE 13 - EMPLOYEE RETIREMENT SYSTEMS

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

For the fiscal year ended June 30, 2016, the District reported net pension liabilities, deferred outflows of resources, deferred inflow of resources, and pension expense for each of the above plans as follows:

Pension Plan	Collective Net Pension Liability	Collective Deferred Outflows of Resources	Collective Deferred Inflows of Resources	Collective Pension Expense
CalSTRS	$ 90,337,442	$ 15,910,143	$ 15,991,273	$ 7,225,215
CalPERS	21,993,229	6,968,355	5,745,734	1,993,554
Total	$ 112,330,671	$ 22,878,498	$ 21,737,007	$ 9,218,769

The details of each plan are as follows:

California State Teachers' Retirement System (CalSTRS)

Plan Description

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

A full description of the pension plan regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2014, annual actuarial valuation report, Defined Benefit Program Actuarial Valuation. This report and CalSTRS audited financial information are publically available reports that can be found on the CalSTRS website under Publications at: http://www.calstrs.com/member-publications.

Benefits Provided

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

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

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

The STRP provisions and benefits in effect at June 30, 2016, are summarized as follows:

	STRP Defined Benefit Program	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 60	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	60	62
Monthly benefits as a percentage of eligible compensation	2.0% - 2.4%	2.0% - 2.4%
Required employee contribution rate	9.20%	8.56%
Required employer contribution rate	10.73%	10.73%
Required state contribution rate	7.12589%	7.12589%

Contributions

Required member, District and State of California contributions rates are set by the California Legislature and Governor and detailed in Teachers' Retirement Law. The contributions rates are expressed as a level percentage of payroll using the entry age normal actuarial method. In accordance with AB 1469, employer contributions into the CalSTRS will be increasing to a total of 8.88 percent of applicable member earnings phased over a seven-year period. The contribution rates for each plan for the year ended June 30, 2016, are presented above and the District's total contributions were $6,656,354.

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

At June 30, 2016, the District reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

Total net pension liability, including State share:

District's proportionate share of net pension liability	$90,337,442
State's proportionate share of the net pension liability associated with the District	47,778,548
Total	$ 138,115,990

The net pension liability was measured as of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts and the State, actuarially determined. The District's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.1342 percent and 0.1308 percent, resulting in a net increase in the proportionate share of 0.0034 percent.

For the year ended June 30, 2016, the District recognized pension expense of $7,225,215. In addition, the District recognized pension expense and revenue of $4,206,933 for support provided by the State. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 6,656,354	$ -
Net change in proportionate share of net pension liability	2,136,046	-
Difference between projected and actual earnings on pension plan investments	7,117,743	14,481,713
Differences between expected and actual experience in the measurement of the total pension liability	-	1,509,560
Total	$ 15,910,143	$ 15,991,273

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	$ (3,047,802)
2018	(3,047,802)
2019	(3,047,802)
2020	1,779,436
Total	$ (7,363,970)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2014-2015 measurement period is 7 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2017	$ 104,414
2018	104,414
2019	104,414
2020	104,414
2021	104,414
Thereafter	104,414
Total	$ 626,484

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Experience study	July 1, 2006 through June 30, 2010
Actuarial cost method	Entry age normal
Discount rate	7.60%
Investment rate of return	7.60%
Consumer price inflation	3.00%
Wage growth	3.75%

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.

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. Based on the model for CalSTRS consulting actuary's investment practice, a best estimate range was determined by assuming the portfolio is re-balanced annually and that the annual returns are lognormally distributed and independent from year to year to develop expected percentiles for the long-term distribution of annualized returns. The assumed asset allocation is based on Teachers' Retirement Board of the California State Teachers' Retirement System (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%

Discount Rate

The discount rate used to measure the total pension liability was 7.60 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.60 percent) and assuming that contributions, benefit payments and administrative expense occurred midyear. Based on these assumptions, the STRP's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount Rate	Net Pension Liability
1% decrease (6.60%)	$ 136,402,506
Current discount rate (7.60%)	$ 90,337,442
1% increase (8.6%)	$ 52,053,657

California Public Employees Retirement System (CalPERS)

Plan Description

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

A full description of the pension plans regarding benefit provisions, assumptions (for funding, but not accounting purposes), and membership information is listed in the June 30, 2014 annual actuarial valuation reports, Schools Pool Actuarial Valuation, and the Risk Pool Actuarial Valuation Report, Safety, 2014. These reports and CalPERS audited financial information are publically available reports that can be found on the CalPERS website under Forms and Publications at: https://www.calpers.ca.gov/page/forms-publications.

Benefits Provided

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

The CalPERS provisions and benefits in effect at June 30, 2016, are summarized as follows:

	School Employer Pool (CalPERS)	
	On or before	On or after
Hire date	December 31, 2012	January 1, 2013
Benefit formula	2% at 55	2% at 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	55	62
Monthly benefits as a percentage of eligible compensation	1.1% - 2.5%	1.0% - 2.5%
Required employee contribution rate	7.000%	6.000%
Required employer contribution rate	11.847%	11.847%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are calculated through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The contributions rates are expressed as percentage of annual payroll. The contribution rates for each plan for the year ended June 30, 2016, are presented above and the total District contributions were $2,099,256.

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

As of June 30, 2016, the District reported net pension liabilities for its proportionate share of the CalPERS net pension liability totaling $21,993,229. The net pension liability was measured as of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. The District's proportionate share for the measurement period June 30, 2015 and June 30, 2014, respectively was 0.1492 percent and 0.1495 percent, resulting in a net decrease in the proportionate share of 0.0003 percent.

For the year ended June 30, 2016, the District recognized pension expense of $1,993,554. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 2,099,256	$ -
Net change in proportionate share of net pension liability	-	29,188
Difference between projected and actual earnings on pension plan investments	3,612,154	4,365,221
the measurement of the total pension liability	1,256,945	-
Changes of assumptions	-	1,351,325
Total	$ 6,968,355	$ 5,745,734

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows of Resources
2017	$ (552,035)
2018	(552,035)
2019	(552,035)
2020	903,038
Total	$ (753,067)

The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the 2014-2015 measurement period is 3.9 years and will be recognized in pension expense as follows:

Year Ended June 30,	Deferred Outflows/(Inflows of Resources
2017	$ (42,610)
2018	(42,610)
2019	(38,348)
Total	$ (123,568)

Actuarial Methods and Assumptions

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

Valuation date	June 30, 2014
Measurement date	June 30, 2015
Experience study	July 1, 1997 through June 30, 2011
Actuarial cost method	Entry age normal
Discount rate	7.65%
Investment rate of return	7.65%
Consumer price inflation	2.75%
Wage growth	Varies by entry age and service

Mortality assumptions are based on mortality rates resulting from the most recent CalPERS experience study adopted by the CalPERS Board. For purposes of the post-retirement mortality rates, those revised rates include five years of projected ongoing mortality improvement using Scale AA published by the Society of Actuaries.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first ten years) and the long-term (11-60 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 for each fund. 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. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Long-term Expected Real Rate of Return
Global equity	51%	5.25%
Global fixed income	19%	0.99%
Private equity	10%	6.83%
Real estate	10%	4.50%
Inflation sensitive	6%	0.45%
Infrastructure and Forestland	2%	4.50%
Liquidity	2%	-0.55%

Discount Rate

The discount rate used to measure the total pension liability was 7.65 percent. The projection of cash flows used to determine the discount rate assumed the contributions from plan members and employers will be made at statutory contribution rates. Based on these assumptions, the School Employer Pool fiduciary net position was projected to be available to make all projected future benefit payments to current plan members. Therefore, the long-term assumed investment rate of return was applied to all periods of projected benefit payments to determine total pension liability.

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

Discount rate	Net Pension Liability
1% decrease (6.65%)	$ 3,579,581
Current discount rate (7.65%)	$ 21,993,229
1% increase (8.65%)	$ 10,515,459

Tax Deferred Annuity/Social Security

As established by Federal law, all public sector employees who are not members of their employer's existing retirement system (CalSTRS or CalPERS) must be covered by Social Security or an alternative plan. The District has elected to use the TDA as its alternative plan. Contributions made by the District and an employee vest immediately. The District contributes 3.75 percent of an employee's gross earnings. An employee is required to contribute 3.75 percent of his or her gross earnings to the pension plan.

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

On Behalf Payments

The State of California makes contributions to CalSTRS on behalf of the District. These payments consist of State General Fund contributions to CalSTRS in the amount of $4,206,933 (7.12589 percent of annual payroll). Under accounting principles generally accepted in the United States of America, these amounts are to be reported as revenues and expenditures. Accordingly, these amounts have been recorded in these financial statements. On behalf payments have been excluded from the calculation of available reserves, and have not been included in the budget amounts reported in the General Fund Budgetary Comparison Schedule.

NOTE 14 - COMMITMENTS AND CONTINGENCIES

Grants

The District received financial assistance from Federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the District at June 30, 2016.

Litigation

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

Construction Commitments

As of June 30, 2016, the District had following commitments with respect to the unfinished capital projects:

Capital Project		Remaining Construction Commitment	Expected Date of Completion
Deferred Maintenance - Roofing JLHS		$ 64,159	2017
Energy Mgmt System		10,864	2017
JLHS Artificial Track Field		108,746	2017
Modernization - Parking Lot AES		63,012	2017
Modernization - Parking Lot HVC		23,291	2017
Solar Project - Corp. Yard		16,655	2017
Solar Project - Adult		54,179	2017
Solar Project - AES		176,910	2017
Solar Project - BERNARD WHITE		528,693	2017
Solar Project - BW		1,127	2017
Solar Project - CCMS		590,616	2017
Solar Project - EAS		201,383	2017
Solar Project - EAS		8,854	2017
Solar Project - EMA		105,058	2017
Solar Project - ESC		81,058	2017
Solar Project - HVC		323,805	2017
Solar Project - IVC		380,528	2017
Solar Project - JLHS		2,749,923	2017
Solar Project - MCC		135,971	2017
Technology - Board Room		25,100	2017
JLHS Roof repairs		14,935	2017
EMA - Security Gates		8,982	2017
JLHS CTE		619,338	2017
Security Gates -IVC		7,344	2017
	Total	$ 6,300,531	

NOTE 15 - PARTICIPATION IN PUBLIC ENTITY RISK POOLS, JOINT POWER AUTHORITIES AND OTHER RELATED PARTY TRANSACTIONS

The District is a member of the Northern California ReLiEF, the Alameda County School s Insurance Group (ACSIG) public entity risk pools, the Mission Valley Regional Occupational Program (MVROP), the Mission Valley SELPA, and the Student Transportation of America (STA) joint powers authorities (JPA's). The District pays an annual premium to the applicable entity for its workers' compensation, and property liability coverage to Northern California ReLiEF and ACSIG. Payments for transportation services are paid to the STA. Regional Occupational apportionments are passed through to MVROP. The relationships between the District, the pools, and the JPA's are such that they are not component units of the District for financial reporting purposes.

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

The District has appointed one board member to the Governing Board of ACSIG and two board members to the Governing Board of MVROP.

During the year ended June 30, 2016, the District made payments of $3,125,211, and $674,142 to ACSIG and Northern California ReLiEF respectively for risk management, workers compensation, and transportation.

REQUIRED SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED JUNE 30, 2016

	Budgeted Amounts			Variances - Positive (Negative)
	Original	Final	Actual	Final to Actual
REVENUES				
Federal revenue	$ 9,896,614	$ 14,471,840	$ 13,093,621	$ (1,378,219)
State and local revenue included in				
Local Control Funding Formula	99,170,786	99,264,629	96,785,333	(2,479,296)
Other state sources	10,358,564	15,339,580	15,358,932	19,352
Other local sources	8,279,548	9,289,780	8,955,272	(334,508)
Total Revenues[1]	127,705,512	138,365,829	134,193,158	(4,172,671)
EXPENDITURES		138,880,202		
Current				
Certificated salaries	66,270,928	66,470,662	63,983,485	2,487,177
Classified salaries	15,303,134	15,684,712	15,276,363	408,349
Employee benefits	24,113,331	25,507,957	24,406,627	1,101,330
Books and supplies	3,598,238	4,546,398	3,161,356	1,385,042
Services and operating expenditures	11,641,309	14,743,269	11,532,090	3,211,179
Other outgo	985,461	1,129,903	1,135,327	(5,424)
Capital outlay	100,000	663,294	79,888	583,406
Debt service				
Interest and other	80,000	4,040	4,040	-
Total Expenditures[1]	122,092,401	128,750,235	119,579,176	9,171,059
Excess (Deficiency) of Revenues Over Expenditures	5,613,111	9,615,594	14,613,982	4,998,388
Other Financing Sources (Uses):				
Transfers in	470,000	514,373	514,372	(1)
Transfers out	(80,000)	(892,713)	(892,711)	2
Net Financing Sources (Uses)	390,000	(378,340)	(378,339)	1
NET CHANGE IN FUND BALANCES	6,003,111	9,237,254	14,235,643	4,998,389
Fund Balance - Beginning	21,882,953	21,882,953	21,882,953	-
Fund Balance - Ending	$ 27,886,064	$ 31,120,207	$ 36,118,596	$ 4,998,389

[1] On behalf payments are included in the actual revenues and expenditures, but have not been included in the budget amounts. In addition, due to the consolidation of Fund 11, Adult Education Fund and Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects, for reporting purposes into the General Fund, additional revenues and expenditures pertaining to these other fund are not included in the revenues and expenditures.

See accompanying note to required supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS
FOR THE YEAR ENDED JUNE 30, 2016

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Level Percent of Payroll (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ([b - a] / c)
6/30/2010	$ 401,300	$ 4,676,500	$ 4,275,200	9%	$ 74,011,590	6%
7/1/2013	$ 4,651,000	$ 16,099,000	$ 11,448,000	29%	$ 74,944,256	15%
7/1/2015	$ 4,441,000	$ 18,158,000	$ 13,717,000	24%	$ 74,276,113	18%

See accompanying note to required supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED JUNE 30, 2016

Measurement Date	June 30, 2015	June 30, 2014
CalSTRS		
District's proportion of the net pension liability (asset)	0.1342%	0.1308%
District's proportionate share of the net pension liability (asset)	$ 90,337,442	$ 76,412,944
State's proportionate share of the net pension liability (asset) associated with the District	47,778,548	46,141,434
Total	$ 138,115,990	$ 122,554,378
District's covered - employee payroll	$ 61,821,077	$ 59,037,291
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	146.13%	129.43%
Plan fiduciary net position as a percentage of the total pension liability	74%	77%

CalPERS		
District's proportion of the net pension liability (asset)	0.1492%	0.1495%
District's proportionate share of the net pension liability (asset)	$ 21,993,229	$ 16,967,142
District's covered - employee payroll	$ 16,511,517	$ 15,723,529
District's proportionate share of the net pension liability (asset) as a percentage of its covered - employee payroll	133.20%	107.91%
Plan fiduciary net position as a percentage of the total pension liability	79%	83%

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

See accompanying note to required supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF DISTRICT CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2016

	2016	2015
CalSTRS		
Contractually required contribution	$ 6,656,354	$ 5,379,775
Contributions in relation to the contractually required contribution	6,656,354	5,379,775
Contribution deficiency (excess)	$ -	$ -
District's covered - employee payroll	$ 63,370,128	$ 61,821,077
Contributions as a percentage of covered - employee payroll	10.50%	8.70%
CalPERS		
Contractually required contribution	$ 2,099,256	$ 1,921,842
Contributions in relation to the contractually required contribution	2,099,256	1,921,842
Contribution deficiency (excess)	$ -	$ -
District's covered - employee payroll	$ 17,134,656	$ 16,511,517
Contributions as a percentage of covered - employee payroll	12.25%	11.64%

See accompanying note to required supplementary information.

NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedule

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

Schedule of Other Postemployment Benefits (OPEB) Funding Progress

This schedule is intended to show trends about the funding progress of the District's actuarially determined liability for postemployment benefits other than pensions.

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

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

Schedule of District Contributions

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

Changes in Benefit Terms

There were no changes in benefit terms since the previous valuation for either CalSTRS and CalPERS.

Changes in Assumptions

The CalSTRS plan rate of investment return assumption was not changed from the previous valuation. The CalPERS plan rate of investment return assumption was changed from 7.50 percent to 7.65 percent since the previous valuation.

SUPPLEMENTARY INFORMATION

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION			
Passed through California Department of Education (CDE):			
Adult Education - State Grant Programs			
Adult Basic Education and ESL	84.002A	14508	$ 64,291
Adult Secondary Education	84.002	13978	37,127
English Literacy and Civics Education	84.002A	14109	39,640
No Child Left Behind			
Title I, Part A, Basic Grants-Low Income	84.010	14329	1,795,776
Title I, Part C, Migrant Education, Regular	84.011	14838	133,126
Title I, Migrant Education Summer Program	84.011	10005	44,149
Title I - Migrant Education Even Start	84.011	14768	30,496
Title II, Part A, Improving Teacher Quality Local Grants	84.367	14341	392,075
Title III - Limited English Proficiency (LEP)	84.365	14346	173,111
Title IV, Part B, 21st Century Community Learning Centers Program	84.287	14349	498,126
Special Education IDEA (PL 94-142) Cluster			
Basic Local Assistance Entitlement	84.027	13379	1,770,525
Local Assistance, Part B, Section 611, Private school	84.027	10115	15,842
Mental Health Allocation Plan, Part B, Section 611	84.027A	14468	136,929
Preschool School Grant, Part B	84.173	13430	89,163
Preschool Local Entitlement, Part B, Section 611	84.027A	13682	156,314
Preschool Staff Development,Part B, Section 619	84.173A	13431	669
Total Special Education Cluster			2,169,442
Mathematics and Science Partnership	84.366	14512	3,846
Vocational Educational (Carl Perkins Act)			
Technology Secondary IIC, Section 131	84.048	14508	72,213
Race to the Top - District	84.395	[1]	7,472,572
Total U.S. Department of Education			12,925,990

1 Pass-Through Entity Identifying Number not available
2 Amount not included in the financial statements

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
Passed through California Department of Education (CDE):			
Medical Assistance Program - Administrative Activities (MAA)	93.778	10060	123,971
Medical Assistance Program - Medi-Cal Billing Option	93.778	10013	164,382
Total U.S. Department of Health and Human Services			288,353
U.S. DEPARTMENT OF AGRICULTURE			
Passed through California Department of Education (CDE):			
Child Nutrition Cluster			
National School Lunch Program	10.555	13524	1,881,810
Meal Supplements	10.555	13396	33,791
Especially Needy Breakfast	10.553	13526	242,521
Subtotal Child Nutrition Cluster			2,158,122
Child Nutrition - Child and Adult Care Food Program	10.558	13393	449,476
Fair Market Value of Commodities [2]	10.565	13396	220,858
Total U.S. Department of Agriculture			2,828,456
Total Expenditures of Federal Awards			$ 16,042,799

1 Pass-Through Entity Identifying Number not available
2 Amount not included in the financial statements

See accompanying note to supplementary information.

LOCAL EDUCATION AGENCY ORGANIZATION STRUCTURE
JUNE 30, 2016

ORGANIZATION

The New Haven Unified School District was established in 1965 and encompasses approximately 18 square miles within Union City and 7.5 square miles within the City of Hayward for a total of 25.5 square miles. The District operates eight elementary schools, three middle schools, one comprehensive high school, one continuation school, one opportunity school, an adult school and a regional occupational program. There were no District boundary changes during the year.

GOVERNING BOARD

MEMBER	OFFICE	TERM EXPIRES
Michelle Parnala	President	2016
Michael Ritchie	Member	2016
Jonas Dino	Member	2016
Linda Canlas	Member	2018
Sarabjit Cheema	Member	2018

ADMINISTRATION

NAME	TITLE
Akur Varadarajan	Co-Superintendent / Chief Business Officer
Arlando Smith	Co-Superintendent / Chief Academic Officer
Madeline Gabel	Director of Fiscal Services

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF AVERAGE DAILY ATTENDANCE
FOR THE YEAR ENDED JUNE 30, 2016

	Final Report	
	Second Period Report	Annual Report
Regular ADA		
Transitional kindergarten through third	3,325.27	3,320.86
Fourth through sixth	2,637.09	2,633.28
Seventh and eighth	1,752.33	1,749.23
Ninth through twelfth	3,844.28	3,829.64
Total Regular ADA	11,558.97	11,533.01
Extended Year Special Education		
Transitional kindergarten through third	3.59	3.59
Fourth through sixth	2.91	2.91
Seventh and eighth	1.71	1.71
Ninth through twelfth	5.90	5.90
Total Extended Year Special Education	14.11	14.11
Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	1.44	1.72
Fourth through sixth	1.23	1.64
Seventh and eighth	4.00	4.20
Ninth through twelfth	10.66	11.46
Total Special Education, Nonpublic, Nonsectarian Schools	17.33	19.02
Extended Year Special Education, Nonpublic, Nonsectarian Schools		
Transitional kindergarten through third	0.26	0.26
Fourth through sixth	0.14	0.14
Seventh and eighth	0.72	0.72
Ninth through twelfth	2.36	2.36
Total Extended Year Special Education, Nonpublic, Nonsectarian Schools	3.48	3.48
Total ADA	11,593.89	11,569.62

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF INSTRUCTIONAL TIME
FOR THE YEAR ENDED JUNE 30, 2016

Grade Level	1986-87 Minutes Requirement	2015-2016 Actual Minutes	Number of Days Traditional Calendar	Number of Days Multitrack Calendar	Status
Kindergarten	36,000	36,000	180	N/A	Complied
Grades 1 - 3					
Grade 1	50,400	52,470	180	N/A	Complied
Grade 2	50,400	52,470	180	N/A	Complied
Grade 3	50,400	52,470	180	N/A	Complied
Grades 4 - 6					
Grade 4	54,000	55,930	180	N/A	Complied
Grade 5	54,000	55,930	180	N/A	Complied
Grade 6	54,000	57,175	180	N/A	Complied
Grades 7 - 8					
Grade 7	54,000	57,175	180	N/A	Complied
Grade 8	54,000	57,305	180	N/A	Complied
Grades 9 - 12					
Grade 9	64,800	64,889	180	N/A	Complied
Grade 10	64,800	64,889	180	N/A	Complied
Grade 11	64,800	64,889	180	N/A	Complied
Grade 12	64,800	64,889	180	N/A	Complied

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

RECONCILIATION OF ANNUAL FINANCIAL AND BUDGET REPORT WITH AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

Summarized below are the reconciliations between the Unaudited Actuals and the audited financial statements:

	Form Debt
Total Liabilities, June 30, 2016, Unaudited Actuals	$ 329,960,816
Increase in:	
General obligation bonds	18,212,232
Bond premium	25,370,406
Accumulated Vacation	152,181
Postemployment benefit liability (OPEB)	179,451
Net pension liability	18,950,586
Total Liabilities, June 30, 2016, Audited Financial Statement	$ 392,825,672

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

SCHEDULE OF FINANCIAL TRENDS AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2016

	(Budget) 2017 [1]	2016	2015	2014
GENERAL FUND [4]				
Revenues	$ 128,785,526	$ 134,193,158	$ 120,339,124	$ 114,470,179
Other sources	577,539	514,372	9,341,755	50,324
Total Revenues and Other Sources	129,363,065	134,707,530	129,680,879	114,520,503
Expenditures	133,256,220	119,579,176	113,837,960	111,521,633
Other uses and transfers out	50,000	892,711	2,309,840	1,591,933
Total Expenditures and Other Uses	133,306,220	120,471,887	116,147,800	113,113,566
INCREASE (DECREASE) IN FUND BALANCE	$ (3,943,155)	$ 14,235,643	$ 13,533,079	$ 1,406,937
ENDING FUND BALANCE	$ 32,175,441	$ 36,118,596	$ 21,878,208	$ 8,345,129
AVAILABLE RESERVES [2]	$ 17,490,359	22,465,077	$ 9,245,783	$ 3,298,339
AVAILABLE RESERVES AS A PERCENTAGE OF TOTAL OUTGO [3]	13.12%	18.65%	7.96%	3.00%
LONG-TERM OBLIGATIONS	$ 381,762,358	$ 392,825,672	$ 344,396,279	$ 249,024,314
K-12 AVERAGE DAILY ATTENDANCE AT P-2	11,594	11,559	11,834	12,152

The General Fund balance has increased by $27.8 million over the past two years. The fiscal year 2016-2017 budget projects a decrease of $3.9 million, or 11 percent. For a district of this size, the State recommends available reserves of at least 3 percent of total General Fund expenditures, transfers out, and other uses (total outgo).

The District has incurred an operating surplus in the past three years and anticipates incurring an operating surplus during the 2016-2017 fiscal year. The District has incurred an operating surplus in the past three years and anticipates incurring an operating deficit during the 2016-2017 fiscal year. Total long-term debt has increased by $143.8 million over the past two years, primarily as result of recognizing unfunded pension liabilities.

Average daily attendance has decreased by 593 over the past two years. The District anticipates an increase of 35 ADA in 20167-2017.

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1 Budget 2017 is included for analytical purposes only and has not been subjected to audit.
2 Available reserves consist of all unassigned fund balances including all amounts reserved for economic uncertainties contained within the General Fund and the Special Reserve Fund for Other Capital Outlay Projects.
3 On-behalf payments for June 30, 2014 have been excluded from the calculation of available reserves.
4 General Fund amounts do not include activities related to the consolidation of other funds as required by GASB Statement No. 54.

See accompanying note to supplementary information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2016

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
ASSETS			
Deposits and investments	$ 194,215	$ 454,733	$ 869,823
Receivables	263	93,791	665
Due from other funds	401	61,686	-
Stores inventories	-	95,762	-
Total Assets	$ 194,879	$ 705,972	$ 870,488
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	$ 137,879	$ 47,394	$ -
Due to other funds	57,000	173,480	-
Total Liabilities	194,879	220,874	-
Fund Balances:			
Nonspendable	-	98,262	-
Restricted	-	369,815	-
Committed	-	-	-
Assigned	-	17,021	870,488
Total Fund Balance	-	485,098	870,488
Total Liabilities and Fund Balances	$ 194,879	$ 705,972	$ 870,488

See accompanying note to supplementary information.

Capital Facilities Fund	County School Facilities Fund	Special Reserve Capital Outlay Fund	Non Major Governmental Funds
$ 1,821,312	$ -	$ 4,389,245	$ 7,729,328
1,362	197	3,303	99,581
-	-	661,308	723,395
-	-	-	95,762
$ 1,822,674	$ 197	$ 5,053,856	$ 8,648,066
$ 7,477	$ -	$ 13,469	$ 206,219
-	197	-	230,677
7,477	197	13,469	436,896
-	-	-	98,262
1,815,197		1,953,194	4,138,206
-		3,087,193	3,087,193
-	-	-	887,509
1,815,197	-	5,040,387	8,211,170
$ 1,822,674	$ 197	$ 5,053,856	$ 8,648,066

NEW HAVEN UNIFIED SCHOOL DISTRICT

NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2016

	Child Development Fund	Cafeteria Fund	Deferred Maintenance Fund
REVENUES			
Federal sources	$ -	$ 2,607,598	$ -
Other state sources	1,699,544	160,797	-
Other local sources	1,364	1,022,815	7,141
Total Revenues	1,700,908	3,791,210	7,141
EXPENDITURES			
Current			
Instruction	1,644,309	-	-
Pupil services:			
Food services	-	3,833,205	-
General administration:			
All other general administration	-	173,173	-
Plant services	-	308,816	40,615
Facility acquisition and construction	-	350,197	97,165
Total Expenditures	1,644,309	4,665,391	137,780
Excess (Deficiency) of Revenues Over Expenditures	56,599	(874,181)	(130,639)
Other Financing Sources (Uses):			
Transfers in	-	632,713	-
Transfers out	(56,599)	-	-
Net Financing Sources (Uses)	(56,599)	632,713	-
NET CHANGE IN FUND BALANCES	-	(241,468)	(130,639)
Fund Balance - Beginning	-	726,566	1,001,127
Fund Balance - Ending	$ -	$ 485,098	$ 870,488

See accompanying note to supplemental information.

Capital Facilities Fund	County School Facilities Fund	Special Reserve Capital Fund	Nonmajor Governmental Funds
$ -	$ -	$ -	$ 2,607,598
-	394,342	-	2,254,683
666,980	197	680,899	2,379,396
666,980	394,539	680,899	7,241,677
-	-	-	1,644,309
-	-	-	3,833,205
2,871	-	-	176,044
9,201	-	154,939	513,571
45,454	394,539	13,469	900,824
57,526	394,539	168,408	7,067,953
609,454	-	512,491	173,724
-	-	200,000	832,713
-	-	(457,774)	(514,373)
-	-	(257,774)	318,340
609,454	-	254,717	492,064
1,205,743	-	4,785,670	7,719,106
$ 1,815,197	$ -	$ 5,040,387	$ 8,211,170

NEW HAVEN UNIFIED SCHOOL DISTRICT

WELFARE BENEFIT PLANS
STATEMENTS OF PLAN NET POSITION
JUNE 30, 2015 AND 2016

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
ASSETS								
Cash in county treasury	$ -	$ -	$ -	$ -	$ 438,929	$ 667,231	$ 438,929	$ 667,231
Plan sponsor receivable	458,810	447,335	74,635	62,831	50	424	533,495	510,590
Total Assets	458,810	447,335	74,635	62,831	438,979	861,782	972,424	1,177,821
LIABILITIES								
Overdrafts	49,625	307,307	48,560	168,172	-	-	98,185	475,479
Accounts payable	409,185	25,218	26,075	9,469	22,173	13,596	457,433	48,283
Total Liabilities	458,810	332,525	74,635	177,641	22,173	13,596	555,618	523,762
Net position held in trust for OPEB	$ -	$ 114,810	$ -	$ (114,810)	$ 416,806	$ 654,059	$ 416,806	$ 654,059

See accompanying note to supplemental information.

NEW HAVEN UNIFIED SCHOOL DISTRICT

WELFARE BENEFIT PLANS
STATEMENTS OF CHANGES IN PLAN NET POSITION
FOR THE YEARS ENDED JUNE 30, 2015 AND 2016

	New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Certificated and Management Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Classified Employees		New Haven Retired Employee Health and Welfare Benefit Plan and Trust for Board and Superintendent		Total	
	2016	**2015**	**2016**	**2015**	**2016**	**2015**	**2016**	**2015**
ADDITIONS TO NET POSITION								
Employer contributions	$ 307,136		$ 150,637	$ 19,621	$ -		$ 457,773	$ 19,621
Transfers from investments	458,810	447,335	74,635	62,830	-		533,445	510,165
Investment income (loss)	(117)	(5,832)	8	(1,056)	894	12,697	785	5,809
Total Additions	765,829	441,503	225,280	81,395	894	12,697	992,003	535,595
DEDUCTIONS FROM NET POSITION								
Benefits paid to participants	727,569	689,233	202,380	184,365	238,147	214,726	1,168,096	1,088,324
Administrative costs	38,260	37,460	22,900	11,840	-		61,160	49,300
Total Deductions	765,829	726,693	225,280	196,205	238,147	214,726	1,229,256	1,137,624
Net Increase	-	(285,190)	-	(114,810)	(237,253)	(202,029)	(237,253)	(602,029)
NET POSITION HELD IN TRUST FOR OPEB								
Beginning of Year	-	400,000	-	-	654,059	856,088	654,059	1,256,088
End of Year	$ -	$ 114,810	$ -	$ (114,810)	$ 416,806	$ 654,059	$ 416,806	$ 654,059

See accompanying note to supplemental information.

NOTE TO SUPPLEMENTARY INFORMATION
JUNE 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES

Schedule of Expenditures of Federal Awards

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the District and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements. The District has not elected to use the ten percent de minimis cost rate as covered in Section 200.414 Indirect (F&A) costs of the Uniform Guidance.

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

Description	CFDA Number	Amount
Total Federal Revenues From the Statement of Revenues, Expenditures and Changes in Fund Balances:		$ 15,842,277
Commodities Received	10.555	220,858
AP test fee	N/A	(20,336)
Total Schedule of Expenditures of Federal Awards		$ 16,042,799

Local Education Agency Organization Structure

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

Schedule of Average Daily Attendance (ADA)

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

Schedule of Instructional Time

The District has received incentive funding for increasing instructional time as provided by the Incentives for Longer Instructional Day. The District neither met nor exceeded its target funding. This schedule presents information on the amount of instructional time offered by the District and whether the District complied with the provisions of *Education Code* Sections 46200 through 46206.

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

Reconciliation of Annual Financial and Budget Report with Audited Financial Statements

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

Schedule of Financial Trends and Analysis

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

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

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

Combining Statements – Fiduciary Trust Funds – Plan Net Position and Changes in Plan Net Position

The Welfare Benefits Plans Statements of Plan Net Position and Statement of Changes in Plan Net Position is included to provide information regarding the individual Trust that have been included in the Welfare Benefits Plans columns on the Net Position and Changes in Plan Net Position Statements.

Behavioral Health Care Funding Grant

The Behavioral Health Care grant funds, as listed below, are included within the scope of this report.

Program Name	County Department	Master & Procurement Contract Number(s) MC-PC#	Contract Period	Contract Amount	Expenditurs	Amount Received
ERMHS	BHCS	900752	2015-2017	$56,150	$ 56,150	$56,150

SUPPLEMENTARY INFORMATION
UNAUDITED

NEW HAVEN UNIFIED SCHOOL DISTRICT

ASSESSED VALUATION OF TAXABLE PROPERTIES AND SECURED TAX CHARGES AND DELINQUENCIES WITHIN THE NEW HAVEN UNIFIED SCHOOL DISTRICT BOUNDARIES - UNAUDITED
FOR THE YEAR ENDED JUNE 30, 2016

The total assessed valuation of taxable properties with the New Haven Unified School District boundaries are:

Secured	$	9,929,859,842
Unsecured		588,585,811
State Utility		2,268,380
Total 2015-16 Assessed Valuation	$	10,520,714,033

NOTE TO SUPPLEMENTARY INFORMATION - UNAUDITED
JUNE 30, 2016

NOTE 1 - PURPOSE OF SCHEDULES - UNAUDITED

Assessed Valuation of Taxable Properties and Secured Tax Charges and Delinquencies Within the New Haven Unified School District Boundaries

As part of the District's continuing disclosure certification for reporting to official depositories, the assessed valuation of taxable properties and secured tax charges and delinquencies within the New Haven Unified School District boundaries have been presented. This information was prepared by the Auditor/Controller's Office of Alameda County. We have not audited, and therefore do not express an opinion on this information.

INDEPENDENT AUDITOR'S REPORTS

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*

Governing Board
New Haven Unified School District
Union City, 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, the business-type activities, each major fund, and the aggregate remaining fund information of New Haven Unified School District (the District) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise New Haven Unified School District's basic financial statements, and have issued our report thereon dated December 12, 2016

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2016, the District adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application;* GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement 67 and 68;* GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments;* and GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. Our opinion is not modified with respect to this matter.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered New Haven Unified 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 New Haven Unified School District's internal control. Accordingly, we do not express an opinion on the effectiveness of New Haven Unified School District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the District'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.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 www.vtdcpa.com Fax: 925.734.6611

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 New Haven Unified School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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*.

We noted certain matters that we reported to management of New Haven Unified School District in a separate letter dated December 12, 2016.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 12, 2016

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

Governing Board
New Haven Unified School District
Union City, California

Report on Compliance for Each Major Federal Program

We have audited New Haven Unified School District's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of New Haven Unified School District's (the District) major Federal programs for the year ended June 30, 2016. New Haven Unified 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 federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its Federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 www.vtdcpa.com Fax: 925.734.6611

Report on Internal Control Over Compliance

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

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

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

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

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 12, 2016

INDEPENDENT AUDITOR'S REPORT ON STATE COMPLIANCE

Governing Board
New Haven Unified School District
Union City, California

Report on State Compliance

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

Management's Responsibility

Management is responsible for compliance with the requirements of State laws, regulations, and the terms and conditions of its State awards applicable to its State programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance of each of the New Haven Unified School District's State programs based on our audit of the types of compliance requirements referred to above. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *2015-2016 Guide for Annual Audits of K-12 Local Education Agencies and State Compliance Reporting*. These standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the applicable government programs noted below. An audit includes examining, on a test basis, evidence about New Haven Unified School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinions. Our audit does not provide a legal determination of New Haven Unified School District's compliance with those requirements.

Unmodified Opinion on Each of the Programs

In our opinion, New Haven Unified School District complied, in all material respects, with the compliance requirements referred to above that are applicable to the government programs noted below that were audited for the year ended June 30, 2016.

5000 Hopyard Road, Suite 335 Pleasanton, CA 94588 Tel: 925.734.6600 www.vtdcpa.com Fax: 925.734.6611

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

	Procedures Performed
LOCAL EDUCATION AGENCIES OTHER THAN CHARTER SCHOOLS	
Attendance	Yes
Teacher Certification and Misassignments	Yes
Kindergarten Continuance	Yes
Independent Study	Yes
Continuation Education	Yes
Instructional Time	Yes
Instructional Materials	Yes
Ratios of Administrative Employees to Teachers	Yes
Classroom Teacher Salaries	Yes
Early Retirement Incentive	No (see below)
Gann Limit Calculation	Yes
School Accountability Report Card	Yes
Juvenile Court Schools	No (see below)
Middle or Early College High Schools	No (see below)
K-3 Grade Span Adjustment	Yes
Transportation Maintenance of Effort	Yes
SCHOOL DISTRICTS, COUNTY OFFICES OF EDUCATION, AND CHARTER SCHOOLS	
Educator Effectiveness	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
Unduplicated Local Control Funding Formula Pupil Counts	Yes
Local Control Accountability Plan	Yes
Independent Study - Course Based	No (see below)
Immunizations	Yes
CHARTER SCHOOLS	
Attendance	No (see below)
Mode of Instruction	No (see below)
Non Classroom-Based Instruction/Independent Study for Charter Schools	No (see below)
Determination of Funding for Non Classroom-Based Instruction	No (see below)
Annual Instruction Minutes Classroom-Based	No (see below)
Charter School Facility Grant Program	No (see below)

The District did not have any employees retire under the CalSTRS Early Retirement Incentive Program during the current year; therefore, we did not perform procedures related to the program.

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

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

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

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

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

Vavrinek, Trine, Day & Co., LLP

Pleasanton, California
December 12, 2016

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

NEW HAVEN UNIFIED SCHOOL DISTRICT

SUMMARY OF AUDITOR'S RESULTS
FOR THE YEAR ENDED JUNE 30, 2016

FINANCIAL STATEMENTS	
Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?	No
FEDERAL AWARDS	
Internal control over major Federal programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None reported
Type of auditor's report issued on compliance for major Federal programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance?	No

Identification of major Federal programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.395	Race to the Top District
84.027, 84.027A, 84.173A	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	$ 750,000
Auditee qualified as low-risk auditee?	Yes
STATE AWARDS	
Type of auditor's report issued on compliance for State programs:	Unmodified

FINANCIAL STATEMENT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

None reported.

FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

None reported.

STATE AWARDS FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2016

None reported.

SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2016

None reported.

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APPENDIX D

COUNTY INVESTMENT REPORT

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ALAMEDA COUNTY

COMPOSITION OF TREASURER'S CASH POOL
June 30, 2017

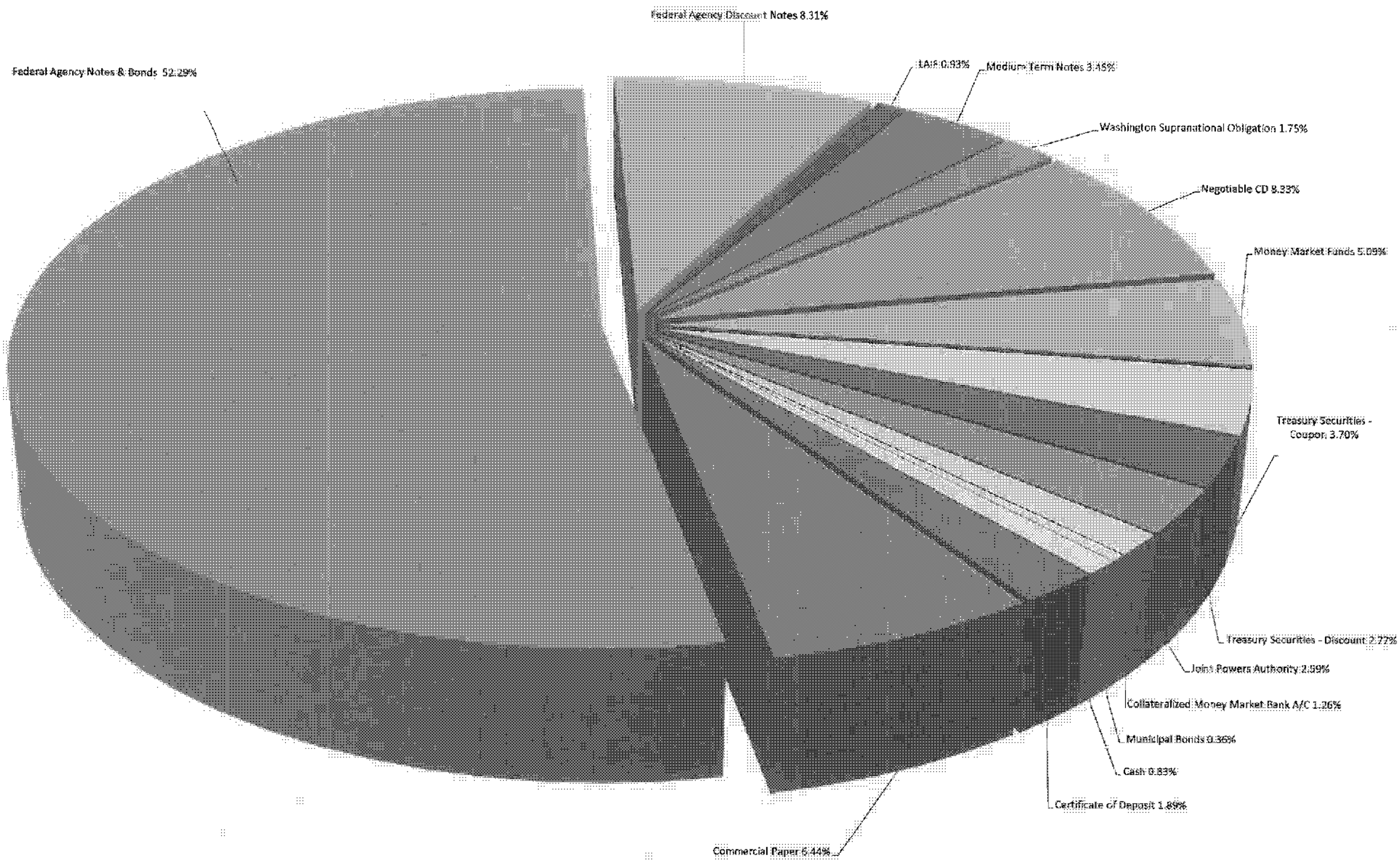
The following summarizes the profile of the investment portfolio by category as of June 30, 2017

Securities	Book Value*	Market Value **	Percentage Held	Percentage Allowed by Section 53601 - Investment Policy
Certificate of Deposit	$ 102,250,000.00	$ 102,385,909.72	1.89%	no limit
LAIF	50,000,000.00	50,111,208.50	0.93%	N.A.
Joint Powers Authority	140,000,000.00	140,123,318.60	2.59%	N.A.
Money Market Funds	275,000,000.00	275,193,595.71	5.09%	20%
Collateralized Money Market Bank A/C	68,000,000.00	68,001,683.35	1.26%	no limit
Negotiable CD	450,000,000.00	451,340,819.44	8.33%	30%
Medium Term Notes	186,381,909.04	186,636,318.33	3.45%	30%
Washington Supranational Obligation	94,642,450.00	94,712,258.61	1.75%	30%
Commercial Paper	347,964,750.00	348,722,500.00	6.44%	25%
Federal Agency Notes & Bonds	2,824,383,638.52	2,820,701,953.53	52.29%	no limit
Federal Agency Discount Notes	448,814,756.78	449,220,300.00	8.31%	no limit
Treasury Notes & Bonds	199,835,937.53	200,262,643.99	3.70%	no limit
Treasury Securities Discount	149,401,800.00	149,579,500.00	2.77%	no limit
Municipal Bonds	19,600,000.00	19,637,322.90	0.36%	no limit
Total Investments	**5,356,275,241.87**	**$ 5,356,629,332.68**	**99.17%**	
Cash in Bank and on Hand	44,724,151.68	44,724,151.68	0.83%	
Total Treasurer's Pool	**5,400,999,393.55**	**$ 5,401,353,484.36**	**100.00%**	

**Source: Custodial report from Union Bank of California reflecting the market value of each security plus any accrued interest. The Bank subscribes to market valuation services in accordance with industry practice.

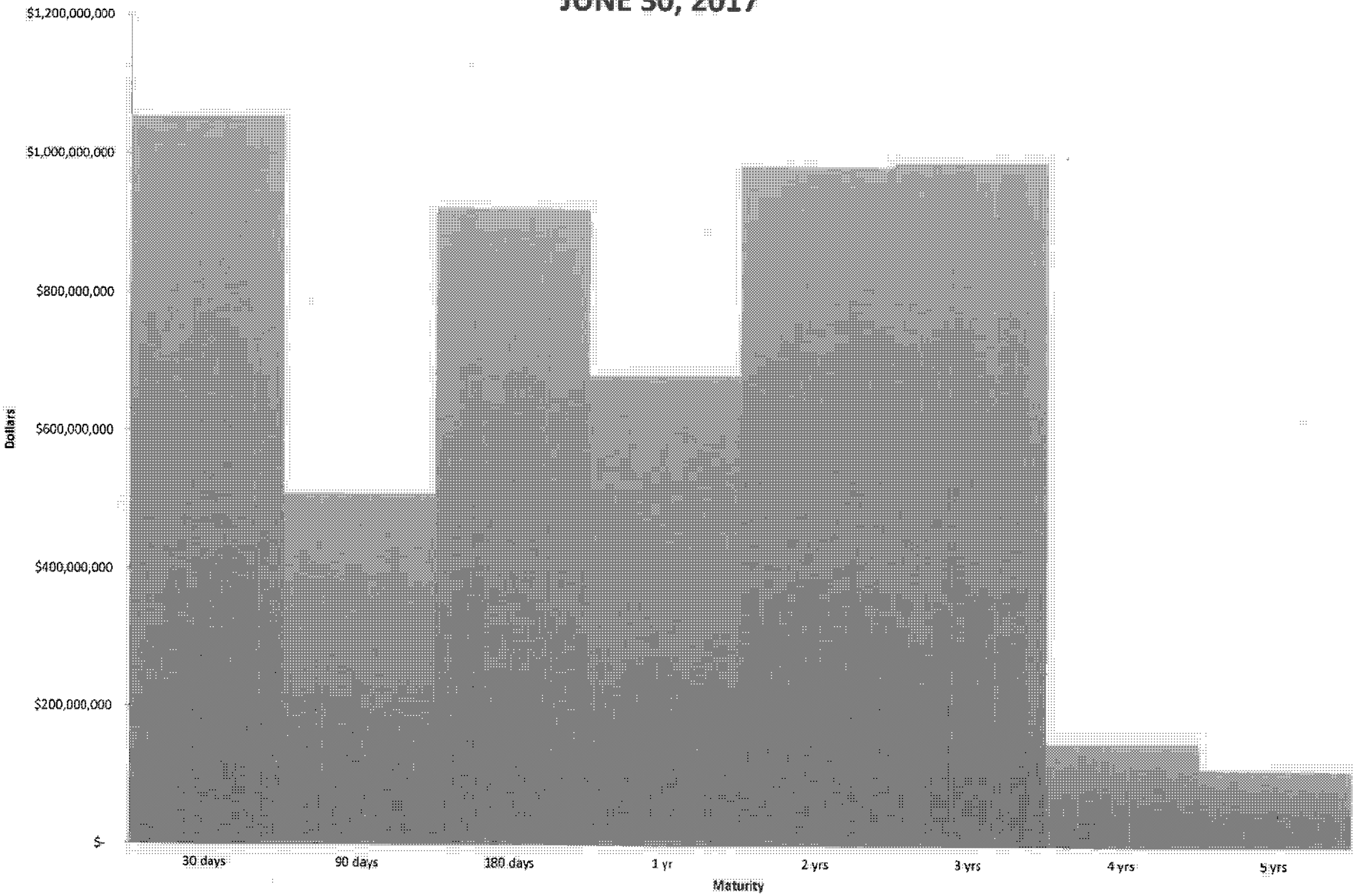
Summary of Treasurer's Investment Pool By Major Categories
June 30, 2017

Attachment 2



Attachment 3

Summary of Treasurer's Invesments by Maturity
JUNE 30, 2017



Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Non-Negotiable CDs												
SYS11193	11193	BCB	5,000,000.00	0.550	07/18/2017	01/18/2017	0.550	0.558	02/18 - Monthly		5,000,000.00	5,000,000.00
SYS11081	11081	CBB	5,000,000.00	0.400	09/08/2017	09/09/2016	0.400	0.406	10/08 - Monthly		5,000,000.00	5,000,000.00
SYS11291	11291	FREMNT	35,000,000.00	0.300	09/04/2017	06/05/2017	0.300	0.304	07/04 - Monthly		35,000,000.00	35,000,000.00
SYS11237	11237	TORREY	40,000,000.00	0.750	10/02/2017	04/02/2017	0.750	0.760	05/02 - Monthly		40,000,000.00	40,000,000.00
SYS11192	11192	TRIVLY	12,250,000.00	0.400	07/19/2017	01/17/2017	0.400	0.406	01/19 - Monthly		12,250,000.00	12,250,000.00
SYS11251	11251	UB-LOC	5,000,000.00	0.200	04/19/2018	04/19/2017	0.200	0.203	05/19 - Monthly		5,000,000.00	5,000,000.00
	Non-Negotiable CDs Totals		102,250,000.00				0.500	0.507		0.00	102,250,000.00	102,250,000.00
Local Agency Investment Funds												
SYS10285	10285	LAIF	50,000,000.00				0.000	0.000	07/01 - Quarterly		50,000,000.00	50,000,000.00
	Local Agency Investment Funds Totals		50,000,000.00				0.000	0.000		0.00	50,000,000.00	50,000,000.00
Joint Powers Authority												
SYS10470	10470	CAMP	100,000,000.00			06/28/2012	0.000	0.000	06/30 - Quarterly		100,000,000.00	100,000,000.00
SYS10472	10472	CTRSTF	40,000,000.00			07/01/2013	0.000	0.000	04/30 - Quarterly		40,000,000.00	40,000,000.00
	Joint Powers Authority Totals		140,000,000.00				0.000	0.000		0.00	140,000,000.00	140,000,000.00
Money Market Mutual Funds												
60934N203	10557	FED10	0.00			12/10/2014	0.000	0.000	12/31 - Monthly		0.00	0.00
608919718	11093	FED117	61,000,000.00			09/30/2016	0.000	0.000	10/31 - Monthly		61,000,000.00	61,000,000.00
60934N104	11091	FED5	1,000,000.00			09/30/2016	0.000	0.000	10/31 - Monthly		1,000,000.00	1,000,000.00
608919775	10515	FEDPRI	0.00			09/23/2014	0.000	0.000	09/30 - Monthly		0.00	0.00
316175405	10273	FID1	0.00			06/28/2013	0.000	0.000	06/30 - Monthly		0.00	0.00
316175504	10274	FID2	1,000,000.00			06/28/2012	0.000	0.000	06/30 - Monthly		1,000,000.00	1,000,000.00
31607A208	10492	FID3	0.00			07/14/2014	0.000	0.000	07/31 - Monthly		0.00	0.00
316175108	11090	FID4	1,000,000.00			09/30/2016	0.000	0.000	10/31 - Monthly		1,000,000.00	1,000,000.00
61747C715	10279	MS1	0.00			06/28/2013	0.000	0.000	06/30 - Monthly		0.00	0.00
61747C707	10280	MS2	10,000,000.00			06/28/2013	0.000	0.000	06/30 - Monthly		10,000,000.00	10,000,000.00
61747C582	11089	MS4	75,000,000.00			09/30/2016	0.000	0.000	10/31 - Monthly		75,000,000.00	75,000,000.00
665278701	10621	NTC	50,000,000.00			04/07/2015	0.000	0.000	04/30 - Monthly		50,000,000.00	50,000,000.00
52470G791	10318	WA2	75,000,000.00			08/15/2013	0.000	0.000	08/31 - Monthly		75,000,000.00	75,000,000.00
52470G882	10809	WA3	0.00			10/28/2015	0.000	0.000	10/31 - Monthly		0.00	0.00
52470G841	11092	WA4	1,000,000.00			09/30/2016	0.000	0.000	10/31 - Monthly		1,000,000.00	1,000,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
	Money Market Mutual Funds Totals		275,000,000.00				0.000	0.000		0.00	275,000,000.00	275,000,000.00
Money Market Bank Accounts												
SYS10286	10286	CALET	50,000,000.00			06/28/2013	0.000	0.000	06/30 - Monthly		50,000,000.00	50,000,000.00
SYS10288	10288	EWEST	15,000,000.00			12/30/2015	0.000	0.000	12/31 - Monthly		15,000,000.00	15,000,000.00
SYS10289	10289	TORREY	0.00			06/28/2013	0.000	0.000	06/30 - Monthly		0.00	0.00
SYS10290	10290	UBOC1	2,000,000.00			06/28/2013	0.000	0.000	06/30 - Monthly		2,000,000.00	2,000,000.00
SYS10291	10291	UBOC2	1,000,000.00			06/28/2013	0.000	0.000	06/30 - Monthly		1,000,000.00	1,000,000.00
	Money Market Bank Accounts Totals		68,000,000.00				0.000	0.000		0.00	68,000,000.00	68,000,000.00
Negotiable CDs												
06427KSB4	11214	BMO	50,000,000.00	1.120	09/20/2017	02/27/2017	1.105	1.120	08/27 - 09/20		50,000,000.00	50,000,000.00
06417GRR1	11168	BNS	50,000,000.00	1.250	07/19/2017	12/14/2016	1.233	1.251	06/14 - 07/19		50,000,000.00	50,000,000.00
06417GRY6	11170	BNS	50,000,000.00	1.300	07/26/2017	12/16/2016	1.283	1.301	06/16 - 07/26		50,000,000.00	50,000,000.00
06538N4R5	11295	BTMUF	50,000,000.00	1.380	12/27/2017	06/26/2017	1.361	1.380	12/26 - 12/27		50,000,000.00	50,000,000.00
65590AGG5	11277	NDAFNY	50,000,000.00	1.145	10/18/2017	05/11/2017	1.129	1.145	10/18 - Final Pmt.		50,000,000.00	50,000,000.00
65590AGR1	11283	NDAFNY	50,000,000.00	1.225	11/29/2017	05/23/2017	1.208	1.225	11/23 - 11/29		50,000,000.00	50,000,000.00
87019UXN4	11213	SWEDBK	50,000,000.00	1.110	08/24/2017	02/23/2017	1.095	1.110	08/23 - 08/24		50,000,000.00	50,000,000.00
89113WU38	11278	TD	50,000,000.00	1.260	11/01/2017	05/11/2017	1.243	1.260	11/01 - Final Pmt.		50,000,000.00	50,000,000.00
89113WZ58	11288	TD	50,000,000.00	1.260	12/13/2017	05/31/2017	1.243	1.260	11/30 - 12/13		50,000,000.00	50,000,000.00
	Negotiable CDs Totals		450,000,000.00				1.211	1.228		0.00	450,000,000.00	450,000,000.00
Corporate Notes												
037833BD1	10648	AAPL	5,000,000.00	2.000	05/06/2020	05/13/2015	2.005	2.033	11/13 - 05/13		4,992,250.00	4,992,250.00
037833CC2	11060	AAPL	5,000,000.00	1.550	08/04/2021	08/04/2016	1.557	1.579	02/04 - 08/04		4,993,050.00	4,993,050.00
037833CB4	11061	AAPL	5,000,000.00	1.100	08/02/2019	08/04/2016	1.119	1.134	02/04 - 08/04		4,995,000.00	4,995,000.00
037833CK4	11207	AAPL	10,000,000.00	1.900	02/07/2020	02/09/2017	1.891	1.917	08/07 - 02/07		9,995,100.00	9,995,100.00
0258M0EE5	11225	AMEX	2,500,000.00	2.200	03/03/2020	03/03/2017	2.205	2.236	09/03 - 03/03		2,497,400.00	2,497,400.00
0258M0EK1	11274	AMEX	2,000,000.00	1.875	05/03/2019	05/03/2017	1.870	1.896	11/03 - 05/03		1,999,180.00	1,999,180.00
166764AA8	10533	CVX	10,000,000.00	1.104	12/05/2017	11/07/2014	1.203	1.220	12/05 - 06/05	Received	9,965,000.00	9,965,000.00
25468PDL7	11044	DISNEY	1,000,000.00	0.875	07/12/2019	07/12/2016	0.975	0.989	01/12 - 07/12		996,640.00	996,640.00
25468PDU7	11292	DISNEY	5,000,000.00	1.800	06/05/2020	06/06/2017	1.815	1.840	12/05 - 06/05		4,994,200.00	4,994,200.00
25468PDU7	11293	DISNEY	13,000,000.00	1.800	06/05/2020	06/06/2017	1.815	1.840	12/05 - 06/05		12,984,920.00	12,984,920.00
459200JE2	10916	IBM	8,000,000.00	1.800	05/17/2019	02/19/2016	1.774	1.799	11/17 - 05/17		8,000,000.00	8,000,000.00
478160BL7	10543	JNJ	1,000,000.00	1.125	11/21/2017	11/21/2014	1.136	1.152	05/21 - 11/21		999,210.00	999,210.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Corporate Notes												
478160BS2	10927	JNJ	2,000,000.00	1.650	03/01/2021	03/01/2016	1.627	1.650	09/01 - 03/01		2,000,000.00	2,000,000.00
478160BR4	10928	JNJ	1,500,000.00	1.125	03/01/2019	03/01/2016	1.114	1.129	09/01 - 03/01		1,499,820.00	1,499,820.00
478160CD4	11226	JNJ	11,000,000.00	2.250	03/03/2022	03/03/2017	2.276	2.308	09/03 - 03/03		10,970,080.00	10,970,080.00
191216BV1	11005	KO	19,000,000.00	1.375	05/30/2019	05/31/2016	1.380	1.399	11/30 - 05/30		18,986,700.00	18,986,700.00
88579YAP6	11258	MMM	15,000,000.00	1.375	08/07/2018	04/27/2017	1.271	1.289	08/07 - 02/07	45,833.33	15,016,200.00	15,062,033.33
594918BG8	10819	MSFT	2,000,000.00	2.000	11/03/2020	11/03/2015	1.989	2.017	05/03 - 11/03		1,998,400.00	1,998,400.00
594918BF0	10820	MSFT	2,000,000.00	1.300	11/03/2018	11/03/2015	1.316	1.334	05/03 - 11/03		1,998,000.00	1,998,000.00
594918BN3	11062	MSFT	4,000,000.00	1.100	08/08/2019	08/08/2016	1.119	1.135	02/08 - 08/08		3,995,880.00	3,995,880.00
594918BP8	11063	MSFT	2,000,000.00	1.550	08/08/2021	08/08/2016	1.550	1.572	02/08 - 08/08		1,997,900.00	1,997,900.00
594918BN3	11064	MSFT	5,000,000.00	1.100	08/08/2019	08/08/2016	1.119	1.135	02/08 - 08/08		4,994,850.00	4,994,850.00
594918BP8	11065	MSFT	7,000,000.00	1.550	08/08/2021	08/08/2016	1.550	1.572	02/08 - 08/08		6,992,650.00	6,992,650.00
68389XAN5	10526	ORCL	4,500,000.00	1.200	10/15/2017	10/24/2014	1.253	1.270	10/25 - 04/25	Received	4,516,290.00	4,502,585.71
717081EB5	11142	PFIZER	9,000,000.00	1.700	12/15/2019	11/21/2016	1.700	1.724	06/15 - 12/15		8,993,520.00	8,993,520.00
742718EQ8	11126	PG	5,000,000.00	1.700	11/03/2021	11/03/2016	1.719	1.743	05/03 - 11/03		4,989,750.00	4,989,750.00
747525AG8	10664	QCOM	5,000,000.00	1.400	05/18/2018	05/20/2015	1.426	1.446	11/20 - 05/20		4,993,300.00	4,993,300.00
89236TCU7	10917	TOYOTA	8,000,000.00	1.700	02/19/2019	02/19/2016	1.681	1.704	08/19 - 02/19		7,999,040.00	7,999,040.00
89236TCX1	10955	TOYOTA	10,000,000.00	1.200	04/06/2018	04/08/2016	1.196	1.212	10/06 - 04/06		9,997,600.00	9,997,600.00
89236TDM4	11183	TOYOTA	2,000,000.00	1.700	01/09/2019	01/09/2017	1.694	1.718	07/09 - 01/09		1,999,300.00	1,999,300.00
94988J5A1	10904	WELLS	5,000,000.00	1.665	01/22/2018	01/29/2016	1.657	1.680	07/29 - 01/29		4,998,550.00	4,998,550.00
		Corporate Notes Totals	**186,500,000.00**				**1.567**	**1.588**		**45,833.33**	**186,349,780.00**	**186,381,909.04**
Washington Supranational Obligation												
4581X0BZ0	11163	IADB	15,000,000.00	0.875	03/15/2018	12/13/2016	1.174	1.190	03/15 - 09/15	Received	14,941,200.00	14,941,200.00
45905UVC5	10920	IBRD	10,000,000.00	1.350	02/26/2019	02/26/2016	1.332	1.350	08/26 - 02/26		10,000,000.00	10,000,000.00
45905UVC5	10943	IBRD	10,000,000.00	1.350	02/26/2019	03/29/2016	1.371	1.390	08/26 - 02/26	Received	9,988,500.00	9,988,500.00
45905UZJ6	11135	IBRD	10,000,000.00	1.300	10/25/2019	11/16/2016	1.371	1.390	04/25 - 10/25	Received	9,974,100.00	9,974,100.00
459058EM1	11153	IBRD	15,000,000.00	1.000	11/15/2017	12/01/2016	1.009	1.023	05/15 - 11/15	Received	14,996,700.00	14,996,700.00
459058FS77	11159	IBRD	15,000,000.00	1.125	11/27/2019	12/12/2016	1.516	1.537	05/27 - 11/27	Received	14,821,950.00	14,821,950.00
459058EM1	11188	IBRD	10,000,000.00	1.000	11/15/2017	01/13/2017	0.986	1.000	05/15 - 11/15	Received	10,000,000.00	10,000,000.00
45905UZJ6	11227	IBRD	10,000,000.00	1.300	10/25/2019	03/03/2017	1.588	1.610	04/25 - 10/25	Received	9,920,000.00	9,920,000.00
		Washington Supranational Obligation Totals	**95,000,000.00**				**1.283**	**1.301**		**0.00**	**94,642,450.00**	**94,642,450.00**

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Commercial Paper Disc. -Amortizing												
06538BUU5	11269	BTOKYO	50,000,000.00	1.090	07/28/2017	04/28/2017	1.093	1.108	07/28 - At Maturity		49,862,236.11	49,862,236.11
25214P6J7	11245	DEXCLN	50,000,000.00	1.390	11/15/2017	04/12/2017	1.423	1.443	11/15 - At Maturity		49,581,069.44	49,581,069.44
19121AZD6	11302	KO	50,000,000.00	1.199	12/23/2017	06/27/2017	1.206	1.223	12/23 - At Maturity		49,701,902.78	49,701,902.78
7426M4UC9	11187	PEFCO	50,000,000.00	1.070	07/12/2017	01/11/2017	1.076	1.091	07/12 - At Maturity		49,729,527.78	49,729,527.78
7426M3AA7	11303	PEFCO	50,000,000.00	1.300	01/10/2018	06/01/2017	1.330	1.349	01/10 - At Maturity		49,597,361.11	49,597,361.11
89233GWN2	11244	TOYOTA	50,000,000.00	1.150	09/22/2017	04/12/2017	1.156	1.172	09/22 - At Maturity		49,739,652.78	49,739,652.78
89233GX43	11272	TOYOTA	50,000,000.00	1.140	10/04/2017	05/01/2017	1.146	1.162	10/04 - At Maturity		49,753,000.00	49,753,000.00
	Commercial Paper Disc. -Amortizing Totals		350,000,000.00				1.204	1.221		0.00	347,964,750.00	347,964,750.00
Agency Bullets (Aaa/AA+)												
3133EC7A6	10825	FFCB	10,000,000.00	0.820	12/12/2017	11/10/2015	0.987	1.000	12/12 - 06/12	Received	9,962,800.00	9,962,800.00
3133EHAP8	11220	FFCB	10,000,000.00	1.250	02/27/2019	02/28/2017	1.242	1.259	08/27 - 02/27	347.22	9,998,200.00	9,998,547.22
3133EHAP8	11221	FFCB	10,000,000.00	1.250	02/27/2019	02/28/2017	1.263	1.281	08/27 - 02/27	347.22	9,993,900.00	9,994,247.22
3133EHFK4	11248	FFCB	15,000,000.00	1.320	04/17/2019	04/17/2017	1.314	1.332	10/17 - 04/17		14,996,400.00	14,996,400.00
3133EHHB2	11265	FFCB	5,000,000.00	1.450	04/27/2020	04/27/2017	1.521	1.542	10/27 - 04/27		4,986,500.00	4,986,500.00
3130A6LZ8	10777	FHLB	10,000,000.00	0.625	10/26/2017	10/09/2015	0.722	0.732	10/26 - 04/09		9,978,300.00	9,978,300.00
3130A6LZ8	10778	FHLB	8,000,000.00	0.625	10/26/2017	10/09/2015	0.722	0.732	10/26 - 04/09		7,982,640.00	7,982,640.00
3130A6LZ8	10779	FHLB	10,000,000.00	0.625	10/26/2017	10/09/2015	0.722	0.732	10/26 - 04/09		9,978,300.00	9,978,300.00
3130A6SW8	10834	FHLB	10,000,000.00	1.000	12/19/2017	11/20/2015	0.986	1.000	12/19 - 06/19		10,000,000.00	10,000,000.00
3130A6SW8	10835	FHLB	15,000,000.00	1.000	12/19/2017	11/20/2015	0.986	1.000	12/19 - 06/19		15,000,000.00	15,000,000.00
3130A6SW8	10836	FHLB	10,000,000.00	1.000	12/19/2017	11/20/2015	0.986	1.000	12/19 - 06/19		10,000,000.00	10,000,000.00
3130A6SW8	10837	FHLB	10,000,000.00	1.000	12/19/2017	11/20/2015	0.986	1.000	12/19 - 06/19		10,000,000.00	10,000,000.00
3130A7CV5	10911	FHLB	5,000,000.00	1.375	02/18/2021	02/18/2016	1.439	1.459	08/18 - 02/18		4,979,800.00	4,979,800.00
3130A7CV5	10912	FHLB	15,000,000.00	1.375	02/18/2021	02/18/2016	1.439	1.459	08/18 - 02/18		14,939,400.00	14,939,400.00
3130A7CX1	10913	FHLB	16,000,000.00	0.875	03/19/2018	02/18/2016	0.878	0.890	03/19 - 09/19		15,995,040.00	15,995,040.00
3130A7CX1	10914	FHLB	10,000,000.00	0.875	03/19/2018	02/18/2016	0.878	0.890	03/19 - 09/19		9,996,900.00	9,996,900.00
3130A7CX1	10915	FHLB	10,000,000.00	0.875	03/19/2018	02/18/2016	0.878	0.890	03/19 - 09/19		9,996,900.00	9,996,900.00
3130A8BD4	11002	FHLB	10,000,000.00	0.875	06/29/2018	05/27/2016	0.978	0.992	06/29 - 12/29		9,975,900.00	9,975,900.00
3130A8BD4	11003	FHLB	10,000,000.00	0.875	06/29/2018	05/27/2016	0.978	0.992	06/29 - 12/29		9,975,900.00	9,975,900.00
3130A8BD4	11004	FHLB	10,000,000.00	0.875	06/29/2018	05/27/2016	0.978	0.992	06/29 - 12/29		9,975,900.00	9,975,900.00
3130AAMQ8	11194	FHLB	10,000,000.00	1.250	01/18/2019	01/20/2017	1.315	1.333	07/18 - 01/18	694.44	9,983,700.00	9,984,394.44
3130AAXX1	11228	FHLB	10,000,000.00	1.375	03/18/2019	03/10/2017	1.471	1.492	09/18 - 03/18		9,976,800.00	9,976,800.00
3130AAXX1	11229	FHLB	10,000,000.00	1.375	03/18/2019	03/10/2017	1.471	1.492	09/18 - 03/18		9,976,800.00	9,976,800.00
3130AAXX1	11230	FHLB	10,000,000.00	1.375	03/18/2019	03/10/2017	1.471	1.492	09/18 - 03/18		9,976,800.00	9,976,800.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Bullets (Aaa/AA+)												
3137EADP1	10408	FHLMC	10,000,000.00	0.875	03/07/2018	02/28/2014	1.165	1.181	03/07 - 09/07	Received	9,880,000.00	9,880,000.00
3137EADN6	10826	FHLMC	20,000,000.00	0.750	01/12/2018	11/12/2015	0.986	1.000	01/12 - 07/12	Received	19,893,000.00	19,893,000.00
3137EAEA3	10951	FHLMC	15,000,000.00	0.750	04/09/2018	04/07/2016	0.818	0.829	10/09 - 04/09		14,976,450.00	14,976,450.00
3137EAEA3	10952	FHLMC	10,000,000.00	0.750	04/09/2018	04/07/2016	0.818	0.829	10/09 - 04/09		9,984,300.00	9,984,300.00
3137EAEA3	10953	FHLMC	10,000,000.00	0.750	04/09/2018	04/07/2016	0.818	0.829	10/09 - 04/09		9,984,300.00	9,984,300.00
3137EAEA3	10989	FHLMC	20,000,000.00	0.750	04/09/2018	05/18/2016	0.889	0.901	10/09 - 04/09	Received	19,943,400.00	19,943,400.00
3137EADP1	11232	FHLMC	50,000,000.00	0.875	03/07/2018	03/31/2017	1.079	1.093	09/07 - 03/07	29,166.67	49,898,758.50	49,927,925.17
3135G0WJ8	10026	FNMA	5,000,000.00	0.875	05/21/2018	06/05/2013	1.213	1.230	11/21 - 05/21	Received	4,919,100.00	4,919,100.00
3135G0WJ8	10061	FNMA	10,000,000.00	0.875	05/21/2018	05/22/2013	0.998	1.012	11/21 - 05/21	Received	9,942,100.00	9,942,100.00
3135G0WJ8	10062	FNMA	10,000,000.00	0.875	05/21/2018	05/22/2013	1.034	1.048	11/21 - 05/21	Received	9,924,690.89	9,924,690.89
3135G0T29	11218	FNMA	10,000,000.00	1.125	02/28/2020	02/28/2017	1.131	1.147	08/28 - 02/28		9,993,600.00	9,993,600.00
3135G0T29	11219	FNMA	10,000,000.00	1.125	02/28/2020	02/28/2017	1.131	1.147	08/28 - 02/28		9,993,600.00	9,993,600.00
	Agency Bullets (Aaa/AA+) Totals		**429,000,000.00**				**1.060**	**1.074**		**30,555.56**	**427,960,179.39**	**427,990,734.94**
Federal Agency Disc. -Amortizing												
313385KE5	11223	FHLBDN	50,000,000.00	0.640	08/09/2017	02/28/2017	0.651	0.660	08/09 - At Maturity		49,856,000.00	49,856,000.00
313385JS6	11238	FHLBDN	50,000,000.00	0.810	07/28/2017	04/04/2017	0.823	0.835	07/28 - At Maturity		49,870,625.00	49,870,625.00
313385JS6	11250	FHLBDN	50,000,000.00	0.830	07/28/2017	04/19/2017	0.843	0.855	07/28 - At Maturity		49,884,722.22	49,884,722.22
313385JS6	11270	FHLBDN	50,000,000.00	0.855	07/28/2017	04/28/2017	0.869	0.881	07/28 - At Maturity		49,891,937.50	49,891,937.50
313385LJ3	11279	FHLBDN	50,000,000.00	0.960	09/06/2017	05/11/2017	0.976	0.990	09/06 - At Maturity		49,842,666.50	49,842,666.50
313385LJ3	11300	FHLBDN	50,000,000.00	0.999	09/06/2017	06/30/2017	1.006	1.020	09/06 - At Maturity		49,906,500.00	49,906,500.00
459515JS2	11271	IFCDN	50,000,000.00	0.890	07/28/2017	04/28/2017	0.904	0.917	07/28 - At Maturity		49,887,513.89	49,887,513.89
459515KU5	11276	IFCDN	50,000,000.00	0.970	08/23/2017	05/10/2017	0.986	1.000	08/23 - At Maturity		49,858,541.67	49,858,541.67
459515MN9	11286	IFCDN	50,000,000.00	1.050	10/04/2017	05/31/2017	1.069	1.083	10/04 - At Maturity		49,816,250.00	49,816,250.00
	Federal Agency Disc. -Amortizing Totals		**450,000,000.00**				**0.903**	**0.916**		**0.00**	**448,814,756.78**	**448,814,756.78**
Treasury Notes and Bonds												
912828XP0	11139	UST	50,000,000.00	0.625	07/31/2017	11/16/2016	0.687	0.697	01/31 - 07/31	Received	49,974,609.38	49,974,609.39
912828UA6	11140	UST	50,000,000.00	0.625	11/30/2017	11/16/2016	0.799	0.810	11/30 - 05/31	Received	49,904,296.88	49,904,296.89
912828UJ7	11177	UST	50,000,000.00	0.875	01/31/2018	12/30/2016	0.920	0.933	01/31 - 07/31	Received	49,968,750.00	49,968,750.00
912828H37	11179	UST	50,000,000.00	0.875	01/15/2018	12/30/2016	0.885	0.898	01/15 - 07/15	Received	49,988,281.25	49,988,281.25
	Treasury Notes and Bonds Totals		**200,000,000.00**				**0.823**	**0.834**		**0.00**	**199,835,937.51**	**199,835,937.53**

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Treasury Discounts -Amortizing												
912796LQ0	11222	TBILL	50,000,000.00	0.660	08/24/2017	02/28/2017	0.671	0.681	08/24 - At Maturity		49,837,750.00	49,837,750.00
912796LZ0	11284	TBILL	50,000,000.00	0.981	10/26/2017	05/25/2017	0.999	1.013	10/26 - At Maturity		49,790,175.00	49,790,175.00
912796KX6	11287	TBILL	50,000,000.00	1.005	11/09/2017	05/31/2017	1.024	1.038	11/09 - At Maturity		49,773,875.00	49,773,875.00
	Treasury Discounts -Amortizing Totals		150,000,000.00				0.898	0.910		0.00	149,401,800.00	149,401,800.00
Agency Callables (Aaa/AA+)												
3133EE3X6	10714	FFCB	10,000,000.00	0.870	10/16/2017	07/16/2015	0.858	0.870	10/16 - 04/16		10,000,000.00	10,000,000.00
3133EE3X6	10715	FFCB	10,000,000.00	0.870	10/16/2017	07/16/2015	0.858	0.870	10/16 - 04/16		10,000,000.00	10,000,000.00
3133EFEU7	10754	FFCB	10,000,000.00	0.780	08/28/2017	09/28/2015	0.769	0.780	02/28 - 08/28		10,000,000.00	10,000,000.00
3133EFEU7	10755	FFCB	10,000,000.00	0.780	08/28/2017	09/28/2015	0.769	0.780	02/28 - 08/28		10,000,000.00	10,000,000.00
3133EFHQ3	10773	FFCB	10,000,000.00	1.200	01/08/2019	10/08/2015	1.184	1.200	01/08 - 07/08		10,000,000.00	10,000,000.00
3133EFJN8	10774	FFCB	10,000,000.00	1.030	07/13/2018	10/13/2015	1.016	1.030	01/13 - 07/13		10,000,000.00	10,000,000.00
3133EFJN8	10775	FFCB	10,000,000.00	1.030	07/13/2018	10/13/2015	1.016	1.030	01/13 - 07/13		10,000,000.00	10,000,000.00
3133EFJM0	10776	FFCB	10,000,000.00	0.930	04/13/2018	10/13/2015	0.917	0.930	04/13 - 10/13		10,000,000.00	10,000,000.00
3133EFJM0	10780	FFCB	10,000,000.00	0.930	04/13/2018	10/14/2015	0.927	0.940	04/13 - 10/13	Received	9,997,500.00	9,997,500.00
3133EFJM0	10782	FFCB	15,000,000.00	0.930	04/13/2018	10/19/2015	0.937	0.950	04/13 - 10/13	Received	14,992,500.00	14,992,500.00
3133EFJE8	10783	FFCB	10,000,000.00	1.070	10/19/2018	10/19/2015	1.055	1.070	04/19 - 10/19		10,000,000.00	10,000,000.00
3133EFJL2	10784	FFCB	10,000,000.00	0.730	10/13/2017	10/20/2015	0.740	0.750	04/13 - 10/13	Received	9,996,000.00	9,996,000.00
3133EFKL0	10790	FFCB	5,000,000.00	0.840	01/22/2018	10/22/2015	0.829	0.840	01/22 - 07/22		5,000,000.00	5,000,000.00
3133EFKW6	10798	FFCB	10,000,000.00	1.010	10/26/2018	10/26/2015	0.996	1.010	04/26 - 10/26		10,000,000.00	10,000,000.00
3133EFMD6	10811	FFCB	9,000,000.00	1.340	07/29/2019	10/29/2015	1.322	1.340	01/29 - 07/29		9,000,000.00	9,000,000.00
3133EFHY6	10812	FFCB	15,000,000.00	0.650	10/13/2017	10/29/2015	0.690	0.700	04/13 - 10/13	Received	14,985,450.00	14,985,450.00
3133EFMV6	10817	FFCB	10,000,000.00	1.020	08/02/2018	11/02/2015	1.006	1.020	02/02 - 08/02		10,000,000.00	10,000,000.00
3133EFMU8	10818	FFCB	10,000,000.00	0.950	05/02/2018	11/02/2015	1.001	1.015	05/02 - 11/02		9,984,000.00	9,984,000.00
3133EFUE5	10884	FFCB	10,000,000.00	1.420	12/28/2018	01/06/2016	1.423	1.442	06/28 - 12/28	Received	9,993,500.00	9,993,500.00
3133EFVC8	10894	FFCB	15,000,000.00	1.000	01/19/2018	01/19/2016	0.990	1.004	07/19 - 01/19		14,998,800.00	14,998,800.00
3133EFD20	10918	FFCB	10,000,000.00	1.250	05/23/2019	02/23/2016	1.233	1.250	05/23 - 11/23		10,000,000.00	10,000,000.00
3133EFV38	10941	FFCB	10,000,000.00	1.250	03/29/2019	03/29/2016	1.233	1.250	09/29 - 03/29		10,000,000.00	10,000,000.00
3133EFV38	10944	FFCB	25,000,000.00	1.250	03/29/2019	03/29/2016	1.233	1.250	09/29 - 03/29		25,000,000.00	25,000,000.00
3133EFZ26	10954	FFCB	15,000,000.00	1.400	04/07/2020	04/07/2016	1.381	1.400	10/07 - 04/07		15,000,000.00	15,000,000.00
3133EF2L0	10956	FFCB	10,000,000.00	1.400	04/13/2020	04/13/2016	1.381	1.400	10/13 - 04/13		10,000,000.00	10,000,000.00
3133EF2L0	10957	FFCB	15,000,000.00	1.400	04/13/2020	04/15/2016	1.381	1.400	10/13 - 04/13	Received	15,000,000.00	15,000,000.00
3133EF3N5	10960	FFCB	13,000,000.00	1.000	07/18/2018	04/19/2016	1.013	1.027	07/18 - 01/18	Received	12,992,200.00	12,992,200.00
3133EF2L0	10961	FFCB	15,000,000.00	1.400	04/13/2020	04/19/2016	1.381	1.400	10/13 - 04/13	Received	15,000,000.00	15,000,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3133EFV38	10963	FFCB	10,000,000.00	1.250	03/29/2019	04/20/2016	1.233	1.250	09/29 - 03/29	Received	10,000,000.00	10,000,000.00
3133EF5Y9	10977	FFCB	9,700,000.00	1.470	05/04/2020	05/04/2016	1.450	1.470	11/04 - 05/04		9,700,000.00	9,700,000.00
3133EGAS4	10980	FFCB	15,000,000.00	0.750	02/16/2018	05/16/2016	0.760	0.770	08/16 - 02/16		14,994,750.00	14,994,750.00
3133EGAS4	10981	FFCB	15,000,000.00	0.750	02/16/2018	05/16/2016	0.765	0.776	08/16 - 02/16		14,993,250.00	14,993,250.00
3133EGAS4	10983	FFCB	20,000,000.00	0.750	02/16/2018	05/16/2016	0.799	0.810	08/16 - 02/16		19,979,220.00	19,979,220.00
3133EGBE4	10986	FFCB	10,000,000.00	1.060	11/19/2018	05/19/2016	1.086	1.101	11/19 - 05/19		9,990,000.00	9,990,000.00
3133EGBE4	10987	FFCB	10,000,000.00	1.060	11/19/2018	05/19/2016	1.045	1.060	11/19 - 05/19		10,000,000.00	10,000,000.00
3133EGBG9	10993	FFCB	10,000,000.00	1.000	08/23/2018	05/23/2016	0.986	1.000	08/23 - 02/23		10,000,000.00	10,000,000.00
3133EGDW2	11008	FFCB	10,000,000.00	1.520	06/08/2020	06/08/2016	1.499	1.520	12/08 - 06/08		10,000,000.00	10,000,000.00
3133EGDW2	11009	FFCB	10,000,000.00	1.520	06/08/2020	06/08/2016	1.499	1.520	12/08 - 06/08		10,000,000.00	10,000,000.00
3133EGFY6	11014	FFCB	15,000,000.00	1.400	03/16/2020	06/16/2016	1.381	1.400	09/16 - 03/16		15,000,000.00	15,000,000.00
3133EGFX8	11015	FFCB	15,000,000.00	1.010	09/20/2018	06/20/2016	0.996	1.010	09/20 - 03/20		15,000,000.00	15,000,000.00
3133EGGS8	11017	FFCB	15,000,000.00	1.200	06/27/2019	06/27/2016	1.184	1.200	12/27 - 06/27		15,000,000.00	15,000,000.00
3133EGHP3	11022	FFCB	10,000,000.00	1.420	06/29/2020	06/29/2016	1.401	1.420	12/29 - 06/29		10,000,000.00	10,000,000.00
3133EGHQ1	11027	FFCB	20,000,000.00	1.470	06/29/2020	06/29/2016	1.450	1.470	12/29 - 06/29		20,000,000.00	20,000,000.00
3133EGJW6	11037	FFCB	15,000,000.00	1.030	04/05/2019	07/05/2016	1.016	1.030	10/05 - 04/05		15,000,000.00	15,000,000.00
3133EGJZ9	11038	FFCB	10,000,000.00	1.000	01/07/2019	07/07/2016	1.006	1.020	01/07 - 07/07		9,995,000.00	9,995,000.00
3133EGQR9	11067	FFCB	12,000,000.00	1.250	02/10/2020	08/18/2016	1.233	1.250	02/10 - 08/10	Received	12,000,000.00	12,000,000.00
3133EGVJ1	11085	FFCB	10,000,000.00	1.160	09/26/2019	09/26/2016	1.144	1.160	03/26 - 09/26		10,000,000.00	10,000,000.00
3133EGUW3	11086	FFCB	10,000,000.00	0.880	03/20/2018	09/26/2016	0.868	0.880	03/20 - 09/20	Received	10,000,000.00	10,000,000.00
3133EGXK6	11098	FFCB	10,000,000.00	1.120	10/11/2019	10/11/2016	1.105	1.120	04/11 - 10/11		10,000,000.00	10,000,000.00
3133EGYD1	11099	FFCB	10,000,000.00	1.000	10/12/2018	10/12/2016	0.986	1.000	04/12 - 10/12		10,000,000.00	10,000,000.00
3133EGYD1	11100	FFCB	10,000,000.00	1.000	10/12/2018	10/12/2016	0.986	1.000	04/12 - 10/12		10,000,000.00	10,000,000.00
3133EGZE8	11108	FFCB	15,000,000.00	1.210	10/24/2019	10/24/2016	1.193	1.210	04/24 - 10/24		15,000,000.00	15,000,000.00
3133EGZE8	11109	FFCB	10,000,000.00	1.210	10/24/2019	10/24/2016	1.193	1.210	04/24 - 10/24		10,000,000.00	10,000,000.00
3133EGD77	11124	FFCB	10,000,000.00	1.120	05/03/2019	11/03/2016	1.105	1.120	05/03 - 11/03		10,000,000.00	10,000,000.00
3133EGD77	11125	FFCB	10,000,000.00	1.120	05/03/2019	11/03/2016	1.105	1.120	05/03 - 11/03		10,000,000.00	10,000,000.00
3133EGU52	11160	FFCB	15,000,000.00	1.490	09/13/2019	12/13/2016	1.470	1.490	03/13 - 09/13		15,000,000.00	15,000,000.00
3133EGU52	11161	FFCB	7,000,000.00	1.490	09/13/2019	12/13/2016	1.470	1.490	03/13 - 09/13		7,000,000.00	7,000,000.00
3133EGU60	11164	FFCB	5,000,000.00	1.820	09/14/2020	12/14/2016	1.816	1.841	03/14 - 09/14		4,996,250.00	4,996,250.00
3133EGU60	11165	FFCB	15,000,000.00	1.820	09/14/2020	12/14/2016	1.796	1.620	03/14 - 09/14		15,000,000.00	15,000,000.00
3133EGG66	11169	FFCB	9,000,000.00	1.130	11/15/2019	12/15/2016	1.479	1.499	05/15 - 11/15	Received	8,905,500.00	8,905,500.00
3133EGW92	11171	FFCB	20,000,000.00	1.500	12/19/2019	12/19/2016	1.479	1.500	06/19 - 12/19		20,000,000.00	20,000,000.00
3133EG3J2	11186	FFCB	10,000,000.00	1.550	01/10/2020	01/10/2017	1.529	1.550	07/10 - 01/10		10,000,000.00	10,000,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3133EG7D1	11209	FFCB	10,000,000.00	1.550	11/15/2019	02/15/2017	1.529	1.550	95/15 - 11/15		10,000,000.00	10,000,000.00
3133EFC70	11210	FFCB	5,000,000.00	1.120	02/22/2019	02/15/2017	1.229	1.246	02/22 - 08/22	Received	4,987,500.00	4,987,500.00
3133EGXK6	11211	FFCB	5,000,000.00	1.120	10/11/2019	02/15/2017	1.412	1.432	04/11 - 10/11	Received	4,959,500.00	4,959,500.00
3133EG2S3	11212	FFCB	15,000,000.00	1.280	01/03/2019	02/16/2017	1.276	1.294	07/03 - 01/03	22,933.33	14,996,054.70	15,018,988.03
3133EHCA9	11231	FFCB	5,000,000.00	1.760	03/13/2020	03/31/2017	1.736	1.760	09/13 - 03/13	4,400.00	5,000,000.00	5,004,400.00
3133EHFP3	11247	FFCB	10,000,000.00	1.390	04/17/2019	04/17/2017	1.371	1.390	10/17 - 04/17		10,000,000.00	10,000,000.00
3133EHFP3	11249	FFCB	15,000,000.00	1.390	04/17/2019	04/17/2017	1.371	1.390	10/17 - 04/17		15,000,000.00	15,000,000.00
313383HQ7	10034	FHLB	5,000,000.00	1.200	06/27/2018	06/27/2013	1.188	1.204	12/27 - 06/27		4,999,000.00	4,999,000.00
3133812R5	10173	FHLB	10,000,000.00	0.650	11/13/2017	11/13/2012	0.694	0.703	02/13 - 08/13		10,000,000.00	10,000,000.00
3130A5W54	10713	FHLB	10,000,000.00	0.800	11/28/2017	07/15/2015	0.858	0.870	11/28 - 05/28	Received	9,983,600.00	9,983,600.00
313380EC7	10742	FHLB	25,000,000.00	0.750	09/08/2017	09/08/2015	0.821	0.833	03/08 - 09/08		24,959,000.00	24,959,000.00
3130A6KH9	10791	FHLB	8,000,000.00	1.190	01/14/2019	10/22/2015	1.174	1.190	01/14 - 07/14	Received	8,000,000.00	8,000,000.00
3130A6MH7	10805	FHLB	5,000,000.00	1.720	10/28/2020	10/28/2015	1.696	1.720	04/28 - 10/28		5,000,000.00	5,000,000.00
3130A6SA6	10830	FHLB	10,000,000.00	0.940	11/17/2017	11/17/2015	0.935	0.948	05/17 - 11/17		9,998,400.00	9,998,400.00
3130A6Y43	10877	FHLB	10,000,000.00	2.000	12/30/2020	12/30/2015	1.973	2.000	06/30 - 12/30		10,000,000.00	10,000,000.00
3130A83R2	10992	FHLB	15,000,000.00	0.875	02/23/2018	05/23/2016	0.863	0.875	11/23 - 05/23		15,000,000.00	15,000,000.00
3130A8DB6	11006	FHLB	10,000,000.00	1.125	06/21/2019	06/03/2016	1.123	1.139	06/21 - 12/21		9,995,800.00	9,995,800.00
3130A8DB6	11007	FHLB	10,000,000.00	1.125	06/21/2019	06/03/2016	1.123	1.139	06/21 - 12/21		9,995,800.00	9,995,800.00
3130A8PK3	11039	FHLB	6,000,000.00	0.625	08/07/2018	07/08/2016	0.716	0.726	01/08 - 07/08		5,987,520.00	5,987,520.00
3130A8PK3	11040	FHLB	10,000,000.00	0.625	08/07/2018	07/08/2016	0.716	0.726	01/08 - 07/08		9,979,200.00	9,979,200.00
3130A8PK3	11041	FHLB	10,000,000.00	0.625	08/07/2018	07/08/2016	0.716	0.726	01/08 - 07/08		9,979,200.00	9,979,200.00
3130A8PK3	11042	FHLB	10,000,000.00	0.625	08/07/2018	07/08/2016	0.716	0.726	01/08 - 07/08		9,979,200.00	9,979,200.00
3130A8RP0	11054	FHLB	10,000,000.00	1.050	10/26/2018	07/27/2016	1.069	1.084	10/26 - 04/26	Received	9,992,500.00	9,992,500.00
3130A8ZA4	11066	FHLB	22,200,000.00	1.230	05/22/2020	08/22/2016	1.213	1.230	11/22 - 05/22		22,200,000.00	22,200,000.00
3130A9AE1	11070	FHLB	7,000,000.00	0.875	10/01/2018	08/26/2016	0.895	0.908	10/01 - 04/01		6,995,240.00	6,995,240.00
3130A9AE1	11071	FHLB	10,000,000.00	0.875	10/01/2018	08/26/2016	0.895	0.908	10/01 - 04/01		9,993,200.00	9,993,200.00
3130A9AE1	11072	FHLB	10,000,000.00	0.875	10/01/2018	08/26/2016	0.895	0.908	10/01 - 04/01		9,993,200.00	9,993,200.00
3130A9A92	11074	FHLB	10,000,000.00	1.000	08/28/2018	08/31/2016	0.988	1.001	02/28 - 08/28		10,000,000.00	10,000,000.00
3130A9PB1	11111	FHLB	10,000,000.00	1.200	10/25/2019	10/25/2016	1.187	1.203	04/25 - 10/25		9,999,000.00	9,999,000.00
3130A9NJ6	11117	FHLB	10,000,000.00	1.200	10/11/2019	10/31/2016	1.223	1.240	04/11 - 10/11	Received	9,988,500.00	9,988,500.00
3130AA3K2	11134	FHLB	20,000,000.00	0.750	11/16/2017	11/16/2016	0.798	0.809	05/16 - 11/16		19,988,200.00	19,988,200.00
3130AA3R7	11141	FHLB	10,000,000.00	1.375	11/15/2019	11/17/2016	1.364	1.383	05/15 - 11/15		9,997,700.00	9,997,700.00
3130AABG2	11148	FHLB	5,000,000.00	1.875	11/29/2021	11/30/2016	1.932	1.959	05/29 - 11/29		4,980,100.00	4,980,100.00
3130AABG2	11149	FHLB	5,000,000.00	1.875	11/29/2021	11/30/2016	1.932	1.959	05/29 - 11/29		4,980,100.00	4,980,100.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3130AABG2	11150	FHLB	5,000,000.00	1.875	11/29/2021	11/30/2016	1.932	1.959	05/29 - 11/29		4,980,100.00	4,980,100.00
3130AAE46	11154	FHLB	10,000,000.00	1.250	01/16/2019	12/08/2016	1.235	1.252	01/16 - 07/16		9,999,600.00	9,999,600.00
3130AAE46	11155	FHLB	10,000,000.00	1.250	01/16/2019	12/08/2016	1.235	1.252	01/16 - 07/16		9,999,600.00	9,999,600.00
3130AAE46	11156	FHLB	10,000,000.00	1.250	01/16/2019	12/08/2016	1.235	1.252	01/16 - 07/16		9,999,600.00	9,999,600.00
3130AAE46	11157	FHLB	10,000,000.00	1.250	01/16/2019	12/08/2016	1.235	1.252	01/16 - 07/16		9,999,600.00	9,999,600.00
3130A8RQ8	11181	FHLB	10,000,000.00	1.200	07/26/2019	01/05/2017	1.380	1.400	01/26 - 07/26	Received	9,950,000.00	9,950,000.00
3130AAQ84	11204	FHLB	10,000,000.00	1.000	04/27/2018	01/27/2017	0.987	1.000	07/27 - 01/27		10,000,000.00	10,000,000.00
3130AAQ84	11205	FHLB	10,000,000.00	1.000	04/27/2018	01/27/2017	0.987	1.000	07/27 - 01/27		10,000,000.00	10,000,000.00
3130AAMN5	11206	FHLB	6,000,000.00	2.000	10/26/2021	02/08/2017	1.984	2.011	07/26 - 01/26	4,000.00	5,997,000.00	6,001,000.00
3130A8DB6	11215	FHLB	15,000,000.00	1.125	06/21/2019	02/27/2017	1.298	1.316	06/21 - 12/21	Received	14,934,750.00	14,934,750.00
3130AB3Q7	11239	FHLB	10,000,000.00	1.400	07/15/2019	04/06/2017	1.400	1.419	07/15 - 01/15		9,995,800.00	9,995,800.00
3130AB3F1	11246	FHLB	15,000,000.00	1.600	04/13/2020	04/13/2017	1.578	1.600	10/13 - 04/13		15,000,000.00	15,000,000.00
3130A8MM2	11297	FHLB	9,000,000.00	1.125	07/11/2019	06/28/2017	1.381	1.400	07/11 - 01/11	46,968.75	8,950,500.00	8,997,468.75
3130ABB21	11298	FHLB	10,000,000.00	1.375	07/26/2019	06/29/2017	1.434	1.454	07/26 - 01/26	23,298.61	9,984,000.00	10,007,298.61
3134G3M31	10044	FHLMC	5,000,000.00	1.000	09/27/2017	06/14/2013	1.152	1.168	09/27 - 03/27	Received	4,965,000.00	4,965,000.00
3134G5AP0	10486	FHLMC	10,000,000.00	1.200	12/26/2017	06/26/2014	1.184	1.200	12/26 - 06/26		10,000,000.00	10,000,000.00
3134G6QZ9	10618	FHLMC	5,000,000.00	1.000	12/29/2017	03/30/2015	0.986	1.000	06/29 - 12/29		5,000,000.00	5,000,000.00
3134G6YT4	10661	FHLMC	10,000,000.00	0.900	11/20/2017	05/20/2015	0.888	0.900	11/20 - 05/20		10,000,000.00	10,000,000.00
3137EADV8	10683	FHLMC	10,000,000.00	0.750	07/14/2017	05/29/2015	0.776	0.787	11/29 - 01/14		9,992,200.00	9,992,200.00
3134G6S20	10699	FHLMC	10,000,000.00	1.000	12/15/2017	06/15/2015	1.000	1.014	12/15 - 06/15		9,996,500.00	9,996,500.00
3134G7C33	10760	FHLMC	10,000,000.00	1.000	03/30/2018	09/30/2015	0.986	1.000	03/30 - 09/30		10,000,000.00	10,000,000.00
3134G7L33	10764	FHLMC	10,000,000.00	1.050	06/29/2018	09/29/2015	1.036	1.050	12/29 - 06/29		10,000,000.00	10,000,000.00
3134G7U25	10799	FHLMC	10,000,000.00	0.800	10/27/2017	10/27/2015	0.789	0.800	04/27 - 10/27		10,000,000.00	10,000,000.00
3134G73Q2	10800	FHLMC	10,000,000.00	1.000	07/27/2018	10/27/2015	0.986	1.000	01/27 - 07/27		10,000,000.00	10,000,000.00
3134G73Q2	10801	FHLMC	10,000,000.00	1.000	07/27/2018	10/27/2015	0.986	1.000	01/27 - 07/27		10,000,000.00	10,000,000.00
3134G73Q2	10803	FHLMC	10,000,000.00	1.000	07/27/2018	10/27/2015	0.986	1.000	01/27 - 07/27		10,000,000.00	10,000,000.00
3134G73Q2	10804	FHLMC	10,000,000.00	1.000	07/27/2018	10/27/2015	0.986	1.000	01/27 - 07/27		10,000,000.00	10,000,000.00
3134G73Q2	10816	FHLMC	15,000,000.00	1.000	07/27/2018	10/30/2015	0.986	1.000	01/27 - 07/27	Received	15,000,000.00	15,000,000.00
3134G76G1	10829	FHLMC	10,000,000.00	1.050	05/17/2018	11/17/2015	1.036	1.050	05/17 - 11/17		10,000,000.00	10,000,000.00
3134G74S7	10843	FHLMC	20,000,000.00	1.000	08/27/2018	11/27/2015	0.986	1.000	02/27 - 08/27		20,000,000.00	20,000,000.00
3137EADX4	10853	FHLMC	10,000,000.00	1.000	12/15/2017	12/11/2015	1.037	1.052	06/15 - 12/15		9,989,700.00	9,989,700.00
3137EADX4	10854	FHLMC	10,000,000.00	1.000	12/15/2017	12/11/2015	1.037	1.052	06/15 - 12/15		9,989,700.00	9,989,700.00
3134G8MM8	10921	FHLMC	25,000,000.00	1.200	02/26/2019	02/26/2016	1.184	1.200	08/26 - 02/26		25,000,000.00	25,000,000.00
3134G8M71	10922	FHLMC	10,000,000.00	1.050	02/26/2018	02/26/2016	1.041	1.055	08/26 - 02/26		9,999,000.00	9,999,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3134G9DF1	10975	FHLMC	15,000,000.00	1.410	02/04/2020	05/04/2016	1.391	1.410	08/04 - 02/04		15,000,000.00	15,000,000.00
3134G9HJ9	10982	FHLMC	10,000,000.00	1.000	08/10/2018	05/16/2016	0.993	1.007	08/10 - 02/10	Received	9,998,500.00	9,998,500.00
3134G9HJ9	10985	FHLMC	15,000,000.00	1.000	08/10/2018	05/17/2016	0.986	1.000	08/10 - 02/10	Received	15,000,000.00	15,000,000.00
3134G9LS4	10994	FHLMC	15,000,000.00	1.050	05/25/2018	05/25/2016	1.036	1.050	11/25 - 05/25		15,000,000.00	15,000,000.00
3134G9HC4	10995	FHLMC	15,000,000.00	1.000	05/25/2018	05/25/2016	1.044	1.058	11/25 - 05/25		14,982,750.00	14,982,750.00
3134G9B97	11023	FHLMC	20,000,000.00	1.000	03/29/2019	06/29/2016	0.986	1.000	09/29 - 03/29		20,000,000.00	20,000,000.00
3134G9UY1	11024	FHLMC	15,000,000.00	1.000	06/29/2018	06/29/2016	0.986	1.000	12/29 - 06/29		15,000,000.00	15,000,000.00
3134G9B97	11025	FHLMC	15,000,000.00	1.000	03/29/2019	06/29/2016	0.986	1.000	09/29 - 03/29		15,000,000.00	15,000,000.00
3134G9B97	11026	FHLMC	10,000,000.00	1.000	03/29/2019	06/29/2016	0.986	1.000	09/29 - 03/29		10,000,000.00	10,000,000.00
3134G9F93	11029	FHLMC	10,000,000.00	1.000	06/28/2019	06/30/2016	0.986	1.000	12/28 - 06/28		10,000,000.00	10,000,000.00
3134G9F85	11030	FHLMC	25,000,000.00	1.320	09/30/2020	06/30/2016	1.302	1.320	09/30 - 12/31		25,000,000.00	25,000,000.00
3137EAEB1	11051	FHLMC	10,000,000.00	0.875	07/19/2019	07/20/2016	0.944	0.957	01/19 - 07/19		9,975,800.00	9,975,800.00
3134G9Q75	11052	FHLMC	18,000,000.00	1.250	07/26/2019	07/26/2016	1.233	1.250	01/26 - 07/26		18,000,000.00	18,000,000.00
3134G9Q75	11053	FHLMC	10,000,000.00	1.250	07/26/2019	07/26/2016	1.241	1.259	01/26 - 07/26		9,997,500.00	9,997,500.00
3137EAEC9	11066	FHLMC	10,000,000.00	1.125	08/12/2021	08/12/2016	1.213	1.230	02/12 - 08/12		9,949,200.00	9,949,200.00
3134GAHA5	11073	FHLMC	10,000,000.00	1.000	11/28/2018	08/30/2016	0.998	1.011	11/28 - 05/28		9,997,500.00	9,997,500.00
3134GAGF5	11082	FHLMC	10,000,000.00	1.100	09/13/2018	09/13/2016	1.085	1.100	03/13 - 09/13		10,000,000.00	10,000,000.00
3137EAED7	11083	FHLMC	10,000,000.00	0.875	10/12/2018	09/16/2016	0.884	0.896	04/12 - 10/12		9,995,700.00	9,995,700.00
3137EAED7	11084	FHLMC	10,000,000.00	0.875	10/12/2018	09/16/2016	0.884	0.896	04/12 - 10/12		9,995,700.00	9,995,700.00
3134GAUL6	11106	FHLMC	15,000,000.00	1.200	10/25/2019	10/25/2016	1.184	1.200	04/25 - 10/25		15,000,000.00	15,000,000.00
3134GAUZ5	11118	FHLMC	15,000,000.00	1.000	10/30/2018	10/31/2016	0.986	1.000	04/30 - 10/30		15,000,000.00	15,000,000.00
3134G9Q75	11136	FHLMC	10,000,000.00	1.250	07/26/2019	11/16/2016	1.336	1.354	01/26 - 07/26	Received	9,972,450.00	9,972,450.00
3134G9Q75	11137	FHLMC	10,000,000.00	1.250	07/26/2019	11/16/2016	1.336	1.354	01/26 - 07/26	Received	9,972,500.00	9,972,500.00
3134GAYE8	11143	FHLMC	15,000,000.00	1.125	11/28/2018	11/28/2016	1.110	1.125	05/28 - 11/28		15,000,000.00	15,000,000.00
3134GAZA5	11162	FHLMC	5,000,000.00	2.000	12/13/2021	12/13/2016	1.973	2.000	06/13 - 12/13		5,000,000.00	5,000,000.00
3134G9Q75	11173	FHLMC	10,000,000.00	1.250	07/26/2019	12/21/2016	1.550	1.571	01/26 - 07/26	Received	9,918,500.00	9,918,500.00
3134GAYE82	11180	FHLMC	10,000,000.00	1.125	11/28/2018	12/30/2016	1.263	1.281	05/31 - 11/30	Received	9,970,000.00	9,970,000.00
3137EAEE5	11190	FHLMC	10,000,000.00	1.500	01/17/2020	01/17/2017	1.516	1.537	07/17 - 01/17		9,989,200.00	9,989,200.00
3137EAEE5	11191	FHLMC	10,000,000.00	1.500	01/17/2020	01/17/2017	1.516	1.537	07/17 - 01/17		9,989,200.00	9,989,200.00
3134GAK78	11195	FHLMC	10,000,000.00	1.350	01/25/2019	01/25/2017	1.360	1.379	07/25 - 01/25		9,994,300.00	9,994,300.00
3134GAK78	11197	FHLMC	10,000,000.00	1.350	01/25/2019	01/25/2017	1.332	1.350	07/25 - 01/25		10,000,000.00	10,000,000.00
3134GAM76	11198	FHLMC	15,000,000.00	1.550	07/26/2019	01/26/2017	1.539	1.560	07/26 - 01/26		14,996,336.25	14,996,336.25
3134GASE5	11216	FHLMC	10,000,000.00	1.050	10/26/2018	02/28/2017	1.162	1.176	04/26 - 10/26	Received	9,979,000.00	9,979,000.00
3134GA7A6	11243	FHLMC	15,000,000.00	1.500	09/09/2019	04/07/2017	1.492	1.513	09/09 - 03/09	17,500.00	14,995,500.00	15,013,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3137EAEF2	11252	FHLMC	10,000,000.00	1.375	04/20/2020	04/20/2017	1.472	1.492	10/20 - 04/20		9,965,800.00	9,965,800.00
3137EAEF2	11253	FHLMC	10,000,000.00	1.375	04/20/2020	04/20/2017	1.472	1.492	10/20 - 04/20		9,965,800.00	9,965,800.00
3137EAEF2	11254	FHLMC	10,000,000.00	1.375	04/20/2020	04/20/2017	1.472	1.492	10/20 - 04/20		9,965,800.00	9,965,800.00
3134GBHY13	11256	FHLMC	15,000,000.00	1.500	10/25/2019	04/25/2017	1.479	1.500	10/25 - 04/25		15,000,000.00	15,000,000.00
3134GBHQ8	11260	FHLMC	20,000,000.00	1.700	07/27/2020	04/27/2017	1.677	1.700	10/27 - 04/27		20,000,000.00	20,000,000.00
3134GBEE8	11261	FHLMC	15,000,000.00	1.750	07/27/2020	04/27/2017	1.726	1.750	07/27 - 01/27		15,000,000.00	15,000,000.00
3134GBMT6	11266	FHLMC	15,000,000.00	2.000	07/28/2021	04/28/2017	1.973	2.000	07/28 - 01/28		15,000,000.00	15,000,000.00
3134GBMT6	11267	FHLMC	15,000,000.00	2.000	07/28/2021	04/28/2017	1.973	2.000	07/28 - 01/28		15,000,000.00	15,000,000.00
3134GBHC9	11268	FHLMC	5,000,000.00	1.850	10/27/2020	04/28/2017	1.825	1.850	10/27 - 04/27	256.94	5,000,000.00	5,000,256.94
3134GBLC4	11282	FHLMC	5,000,000.00	1.800	11/18/2020	05/18/2017	1.790	1.815	11/18 - 05/18		4,997,500.00	4,997,500.00
3134GA7A6	11285	FHLMC	10,000,000.00	1.500	09/09/2019	05/31/2017	1.479	1.500	09/09 - 03/09	34,166.67	10,000,000.00	10,034,166.67
3134GBRD6	11294	FHLMC	10,000,000.00	1.700	06/15/2020	06/15/2017	1.677	1.700	12/15 - 06/15		10,000,000.00	10,000,000.00
3134GBXG2	11299	FHLMC	10,000,000.00	1.550	12/27/2019	06/30/2017	1.529	1.550	12/27 - 06/27		10,000,000.00	10,000,000.00
3135G0MZ3	10405	FNMA	20,000,000.00	0.875	08/28/2017	02/25/2014	0.952	0.965	02/28 - 08/28	Received	19,938,000.00	19,938,000.00
3135G0E33	10696	FNMA	10,000,000.00	1.125	07/20/2018	06/08/2015	1.169	1.185	07/20 - 01/20		9,981,700.00	9,981,700.00
3136G2PF8	10813	FNMA	10,000,000.00	1.125	10/29/2018	10/29/2015	1.110	1.125	04/29 - 10/29		10,000,000.00	10,000,000.00
3136G2R74	10822	FNMA	15,000,000.00	1.400	11/05/2019	11/05/2015	1.381	1.400	05/05 - 11/05		15,000,000.00	15,000,000.00
3136G2PF8	10823	FNMA	10,000,000.00	1.125	10/29/2018	11/05/2015	1.231	1.248	04/29 - 10/29	Received	9,964,000.00	9,984,000.00
3135GOH63	10891	FNMA	10,000,000.00	1.375	01/28/2019	01/08/2016	1.377	1.396	07/08 - 01/08		9,993,800.00	9,993,800.00
3135G0K28	10968	FNMA	15,000,000.00	1.250	04/26/2019	04/26/2016	1.253	1.270	10/26 - 04/26		14,991,000.00	14,991,000.00
3135G0N33	11056	FNMA	15,000,000.00	0.875	08/02/2019	08/02/2016	0.919	0.932	02/02 - 08/02		14,974,800.00	14,974,800.00
3135G0N33	11057	FNMA	10,000,000.00	0.875	08/02/2019	08/02/2016	0.919	0.932	02/02 - 08/02		9,983,200.00	9,983,200.00
3135G0M91	11075	FNMA	10,000,000.00	1.125	07/26/2019	08/31/2016	1.110	1.125	01/26 - 07/26	Received	10,000,000.00	10,000,000.00
3136G34J1	11076	FNMA	5,000,000.00	1.000	12/24/2019	09/01/2016	1.085	1.100	02/24 - 08/24	Received	4,983,750.00	4,983,750.00
3135G0P49	11078	FNMA	10,000,000.00	1.000	08/28/2019	09/02/2016	1.039	1.053	02/28 - 08/28		9,984,400.00	9,984,400.00
3135G0P49	11079	FNMA	10,000,000.00	1.000	08/28/2019	09/02/2016	1.039	1.053	02/28 - 08/28		9,984,400.00	9,984,400.00
3136G34K8	11087	FNMA	10,000,000.00	1.125	09/09/2019	09/28/2016	1.110	1.125	03/09 - 09/09	Received	10,000,000.00	10,000,000.00
3135G0L68	11097	FNMA	10,000,000.00	0.750	07/27/2018	10/06/2016	0.929	0.942	01/27 - 07/27	Received	9,965,700.00	9,965,700.00
3136G3W76	11101	FNMA	13,000,000.00	1.150	08/23/2019	10/18/2016	1.154	1.170	02/23 - 08/23	Received	12,992,850.00	12,992,850.00
3136G4DA8	11102	FNMA	15,000,000.00	1.200	12/30/2019	10/19/2016	1.184	1.200	12/30 - 06/30	Received	15,000,000.00	15,000,000.00
3136G4BQ5	11104	FNMA	10,000,000.00	1.250	01/07/2020	10/19/2016	1.241	1.258	01/07 - 07/07	Received	9,997,500.00	9,997,500.00
3135G0Q30	11110	FNMA	10,000,000.00	1.180	09/27/2019	10/24/2016	1.164	1.180	03/27 - 09/27	Received	10,000,000.00	10,000,000.00
3136G4DR1	11114	FNMA	10,000,000.00	1.100	10/17/2019	10/26/2016	1.127	1.143	04/17 - 10/17	Received	9,987,500.00	9,987,500.00
3135G0Q71	11116	FNMA	10,000,000.00	1.250	10/28/2019	10/28/2016	1.233	1.250	04/28 - 10/28		10,000,000.00	10,000,000.00

Alameda County Inv Pool
Portfolio Management
Investment Status Report - Investments
June 30, 2017

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	YTM 360	YTM 365	Payment Dates	Accrued Interest At Purchase	Current Principal	Book Value
Agency Callables (Aaa/AA+)												
3135G0P72	11129	FNMA	10,000,000.00	1.375	03/30/2020	11/10/2016	1.356	1.375	03/30 - 09/30	Received	10,000,000.00	10,000,000.00
3136G3D51	11133	FNMA	15,000,000.00	1.250	07/26/2019	11/15/2016	1.251	1.269	01/26 - 07/26	Received	14,992,500.00	14,992,500.00
3136G4GU1	11146	FNMA	10,000,000.00	1.400	11/25/2019	11/29/2016	1.432	1.451	05/25 - 11/25	Received	9,985,000.00	9,985,000.00
3136G4HH9	11151	FNMA	10,000,000.00	1.500	02/26/2020	11/30/2016	1.480	1.500	02/26 - 08/26		10,000,000.00	10,000,000.00
3136G3K88	11166	FNMA	15,000,000.00	1.260	08/02/2019	12/14/2016	1.396	1.415	02/02 - 08/02	Received	14,940,000.00	14,940,000.00
3136G4GU1	11172	FNMA	15,000,000.00	1.400	11/25/2019	12/19/2016	1.637	1.660	05/25 - 11/25	Received	14,888,700.00	14,888,700.00
3135G0S38	11184	FNMA	15,000,000.00	2.000	01/05/2022	01/09/2017	2.010	2.038	07/05 - 01/05		14,973,150.00	14,973,150.00
3136G4GU1	11242	FNMA	9,000,000.00	1.400	11/25/2019	04/07/2017	1.515	1.536	05/25 - 11/25	Received	8,968,500.00	8,968,500.00
3136G3K46	11255	FNMA	15,000,000.00	1.260	08/02/2019	04/21/2017	1.331	1.349	08/02 - 02/02	41,475.00	14,970,000.00	15,011,475.00
3135G0S61	11262	FNMA	20,000,000.00	1.850	07/27/2020	04/27/2017	1.824	1.850	07/27 - 01/27	92,500.00	20,000,000.00	20,092,500.00
3135G0P23	11263	FNMA	15,000,000.00	1.250	08/23/2019	04/27/2017	1.397	1.417	08/23 - 02/23	33,333.33	14,943,000.00	14,976,333.33
	Agency Callables (Aaa/AA+) Totals		**2,397,900,000.00**				**1.202**	**1.218**		**320,832.63**	**2,396,072,070.95**	**2,396,392,903.58**
Municipal Bonds												
13063DAA6	11259	CAS	9,625,000.00	1.248	04/01/2018	04/27/2017	1.231	1.248	10/27 - 04/01		9,625,000.00	9,625,000.00
91412GS63	11260	UNVHGR	7,475,000.00	1.250	05/15/2018	05/18/2017	1.233	1.250	11/18 - 05/15		7,475,000.00	7,475,000.00
91412GS71	11261	UNVHGR	2,500,000.00	1.610	05/15/2019	05/18/2017	1.588	1.610	11/18 - 05/18		2,500,000.00	2,500,000.00
	Municipal Bonds Totals		**19,600,000.00**				**1.277**	**1.295**		**0.00**	**19,600,000.00**	**19,600,000.00**
	Investment Totals		**5,363,250,000.00**				**1.025**	**1.039**		**387,221.51**	**5,355,891,724.63**	**5,356,275,241.87**

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APPENDIX E

FORM OF OPINION OF BOND COUNSEL

[Letterhead of Quint & Thimmig LLP]

[Closing Date]

Board of Education of the
New Haven Unified School District
34200 Alvarado-Niles Road
Union City, California 94587

OPINION: $40,000,000 New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017)

Members of the Board of Education:

We have acted as bond counsel to the New Haven Unified School District (the "District") in connection with the issuance by the District of $40,000,000 principal amount of its New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017) (the "Bonds"), pursuant to provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 (commencing with section 53506) of the California Government Code (the "Act"), and a resolution adopted by the Board of Education of the District on September 5, 2017 (the "Resolution"). We have examined the law and such certified proceedings and other papers as we deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the District contained in the Resolution and in the certified proceedings and certifications of public officials and others furnished to us, without undertaking to verify such facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The District is duly created and validly existing as a school district with the power to cause the Board to issue the Bonds in its name and to perform its obligations under the Resolution and the Bonds.

2. The Resolution has been duly adopted by the District and creates a valid first lien on the funds pledged under the Resolution for the security of the Bonds.

3. The Bonds have been duly authorized, executed and delivered by the Board and are valid and binding general obligations of the District. The Board of Supervisors of Alameda County is required under the Act to levy a tax upon all taxable property in the District for the interest and redemption of all outstanding bonds of the District, including the Bonds. The Bonds are payable from an *ad valorem* tax levied without limitation as to rate or amount.

4. Subject to the District's compliance with certain covenants, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest

on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

5. The interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Ownership of the Bonds may result in other tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

The rights of the owners of the Bonds and the enforceability of the Bonds and the Resolution may be subject to the bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and also may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Our opinion represents our legal judgment based upon such review of the law and the facts that we deem relevant to render our opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

Respectfully submitted,

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the NEW HAVEN UNIFIED SCHOOL DISTRICT (the "District") in connection with the issuance by the District of its $40,000,000 New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017) (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on September 5, 2017 (the "Resolution"). The District covenants and agrees as follows:

Section 1. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section 1, the following capitalized terms shall have the following meanings when used in this Disclosure Certificate:

"*Annual Report*" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"*Beneficial Owner*" shall mean any person who (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"*Dissemination Agent*" shall mean Isom Advisors, a Division of Urban Futures Incorporated or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation. In the absence of such a designation, the District shall act as the Dissemination Agent.

"*EMMA*" or "*Electronic Municipal Market Access*" means the centralized on-line repository for documents to be filed with the MSRB, such as official statements and disclosure information relating to municipal bonds, notes and other securities as issued by state and local governments.

"*Listed Events*" shall mean any of the events listed in Section 5(a) or 5(b) of this Disclosure Certificate.

"*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, or any other repository of disclosure information which may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"*Participating Underwriter*" shall mean the original underwriter of the Bonds, required to comply with the Rule in connection with offering of the Bonds.

"*Rule*" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

Section 2. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

Section 3. Provision of Annual Reports.

(a) *Delivery of Annual Report.* The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (which currently ends on June 30), commencing with the report for the 2016-17 Fiscal Year, which is due not later than March 31, 2018, file with EMMA, in a readable PDF or other electronic format as prescribed by the MSRB, an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date.

(b) *Change of Fiscal Year.* 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), and subsequent Annual Report filings shall be made no later than nine months after the end of such new fiscal year end.

(c) *Delivery of Annual Report to Dissemination Agent.* Not later than fifteen (15) Business Days prior to the date specified in subsection (a) (or, if applicable, subsection (b)) of this Section 3 for providing the Annual Report to EMMA, the District shall provide the Annual Report to the Dissemination Agent (if other than the District). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall notify the District.

(d) *Report of Non-Compliance.* If the District is the Dissemination Agent and is unable to file an Annual Report by the date required in subsection (a) (or, if applicable, subsection (b)) of this Section 3, the District shall send a notice in a timely manner to EMMA substantially in the form attached hereto as Exhibit A. If the District is not the Dissemination Agent and is unable to provide an Annual Report to the Dissemination Agent by the date required in subsection (c) of this Section 3, the Dissemination Agent shall send a notice to EMMA in substantially the form attached hereto as Exhibit A.

(e) *Annual Compliance Certification.* The Dissemination Agent shall, if the Dissemination Agent is other than the District, file a report with the District certifying that the Annual Report has been filed with EMMA pursuant to Section 3 of this Disclosure Certificate, stating the date it was so provided and filed.

Section 4. <u>Content of Annual Reports</u>. The Annual Report shall contain or incorporate by reference the following:

(a) *Financial Statements.* Audited financial statements of the District for the preceding fiscal year, prepared in accordance generally accepted accounting principles. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) *Other Annual Information.* To the extent not included in the audited final statements of the District, the Annual Report shall also include financial and operating data with respect to the District for preceding fiscal year, substantially similar to that provided in the corresponding tables and charts in the official statement for the Bonds, as follows:

(i) The District's approved budget for the then current fiscal year;
(ii) Assessed value of taxable property in the District as shown on the recent equalized assessment role; and
(iii) Property tax levies, collections and delinquencies for the District, for the most recent completed fiscal year.

(c) *Cross References.* 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 EMMA. The District shall clearly identify each such other document so included by reference.

If the document included by reference is a final official statement, it must be available from EMMA.

(d) *Further Information.* In addition to any of the information expressly required to be provided under paragraph (b) of this Section 4, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Section 5. Reporting of Listed Events.

(a) *Reportable Events.* The District shall, or shall cause the Dissemination (if not the District) to, give notice of the occurrence of any of the following events with respect to the Bonds:

(1) Principal and interest payment delinquencies.
(2) Unscheduled draws on debt service reserves reflecting financial difficulties.
(3) Unscheduled draws on credit enhancements reflecting financial difficulties.
(4) Substitution of credit or liquidity providers, or their failure to perform.
(5) Defeasances.
(6) Rating changes.
(7) Tender offers.
(8) Bankruptcy, insolvency, receivership or similar event of the obligated person.
(9) 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.

Note: For the purposes of the event identified in subparagraph (8), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) *Material Reportable Events.* The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

(1) Non-payment related defaults.
(2) Modifications to rights of security holders.
(3) Bond calls.
(4) The release, substitution, or sale of property securing repayment of the securities.
(5) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
(6) Appointment of a successor or additional trustee, or the change of name of a trustee.

(c) *Time to Disclose.* 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

EMMA, 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)(5) and (b)(3) above need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to owners of affected Bonds under the Resolution.

Section 6. Identifying Information for Filings with EMMA. All documents provided to EMMA under this Disclosure Certificate shall be accompanied by identifying information as prescribed by the MSRB.

Section 7. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 8. Dissemination Agent.

(a) *Appointment of Dissemination Agent.* The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate and may discharge any such agent, with or without appointing a successor Dissemination Agent. If the Dissemination Agent is not the District, the Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. It is understood and agreed that any information that the Dissemination Agent may be instructed to file with EMMA shall be prepared and provided to it by the District. The Dissemination Agent has undertaken no responsibility with respect to the content of any reports, notices or disclosures provided to it under this Disclosure Certificate and has no liability to any person, including any Bondholder, with respect to any such reports, notices or disclosures. The fact that the Dissemination Agent or any affiliate thereof may have any fiduciary or banking relationship with the District shall not be construed to mean that the Dissemination Agent has actual knowledge of any event or condition, except as may be provided by written notice from the District.

(b) *Compensation of Dissemination Agent.* The Dissemination Agent shall be paid compensation by the District for its services provided hereunder in accordance with its schedule of fees as agreed to between the Dissemination Agent and the District from time to time and all expenses, legal fees and expenses and advances made or incurred by the Dissemination Agent in the performance of its duties hereunder. The Dissemination Agent shall not be deemed to be acting in any fiduciary capacity for the District, owners or Beneficial Owners, or any other party. The Dissemination Agent may rely, and shall be protected in acting or refraining from acting, upon any direction from the District or an opinion of nationally recognized bond counsel. The Dissemination Agent may at any time resign by giving written notice of such resignation to the District. The Dissemination Agent shall not be liable hereunder except for its negligence or willful misconduct.

(c) *Responsibilities of Dissemination Agent.* In addition of the filing obligations of the Dissemination Agent set forth in Sections 3(e) and 5, the Dissemination Agent shall be obligated, and hereby agrees, to provide a request to the District to compile the information required for its Annual Report at least 30 days prior to the date such information is to be provided to the Dissemination Agent pursuant to subsection (c) of Section 3. The failure to provide or receive any such request shall not affect the obligations of the District under Section 3.

Section 9. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate (and the Dissemination Agent shall agree to any amendment so requested by the District that does not impose any greater duties or risk of liability on the Dissemination Agent), and any provision of this Disclosure Certificate may be waived, provided that all of the following conditions are satisfied:

(a) *Change in Circumstances.* If the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a) or (b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of an obligated person with respect to the Bonds, or the type of business conducted.

(b) *Compliance as of Issue Date.* The undertaking, as amended or taking into account such waiver, would, in the opinion of a nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances.

(c) *Consent of Holders; Non-impairment Opinion.* The amendment or waiver either (i) is approved by the Bondholders in the same manner as provided in the Resolution for amendments to the Resolution with the consent of Bondholders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Bondholders or Beneficial Owners.

If this Disclosure Certificate is amended or any provision of this Disclosure Certificate is waived, the District shall describe such amendment or waiver in the next following Annual Report and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 10. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice 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. In the event of a failure of the District to comply with any provision of this Disclosure Certificate, any Bondholder or Beneficial Owner 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. The sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

Section 12. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and no implied covenants or obligations shall be read into this Disclosure Certificate against the Dissemination Agent, 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 it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent shall have the same rights, privileges and immunities hereunder as are afforded to the Paying Agent under the Resolution. The obligations of the District under this Section 12 shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and the owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: [Closing Date]

NEW HAVEN UNIFIED SCHOOL DISTRICT

By ____
Authorized Officer

ACKNOWLEDGED:

ISOM ADVISORS, A DIVISION OF URBAN FUTURES INCORPORATED, as Dissemination Agent

By ____
Authorized Officer

EXHIBIT A

NOTICE TO EMMA OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	New Haven Unified School District
Name of Issue:	New Haven Unified School District (Alameda County, California) General Obligation Bonds, Election of 2014, Series B (2017)
Date of Issuance:	[Closing Date]

NOTICE IS HEREBY GIVEN that the Obligor has not provided an Annual Report with respect to the above-named Issue as required by the Continuing Disclosure Certificate, dated [Closing Date], furnished by the Issuer in connection with the Issue. The Issuer anticipates that the Annual Report will be filed by ________________.

Dated: ___________________________

ISOM ADVISORS, A Division of Urban Futures Incorporated, as Dissemination Agent

By ____
Title ____

cc: Paying Agent

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APPENDIX G

BOOK-ENTRY SYSTEM

The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal of and interest on the Bonds to Direct Participants, Indirect Participants or Beneficial Owners (as such terms are defined below) of the Bonds, confirmation and transfer of beneficial ownership interests in the Bonds and other Bond related transactions by and between DTC, Direct Participants, Indirect Participants and Beneficial Owners of the Bonds is based solely on information furnished by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect 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.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 and www.dtc.org.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede &Co. or such other name as requested by an authorized representative of DTC. The deposit of the Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

In the event that (a) DTC determines not to continue to act as securities depository for the Bonds, or (b) the District determines that DTC shall no longer act and delivers a written certificate to the Paying Agent to that effect, then the District will discontinue the Book-Entry System with DTC for the Bonds. If the District determines to replace DTC with another qualified securities depository, the District will prepare or direct the preparation of a new single separate, fully registered Bond for each maturity of the Bonds registered in the name of such successor or substitute securities depository as are not inconsistent with the terms of the Resolution. If the District fails to identify another qualified securities depository to replace the incumbent securities depository for the Bonds, then the Bonds shall no longer be restricted to being registered in the Bond registration books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository or its nominee transferring or exchanging the Bonds shall designate.

In the event that the Book-Entry System is discontinued, the following provisions would also apply: (i) the Bonds will be made available in physical form, (ii) payment of principal of and interest on the Bonds will be payable upon surrender thereof at the trust office of the Paying Agent identified in the Resolution, and (iii) the Bonds will be transferable and exchangeable as provided in the Resolution.

The District and the Paying Agent do not have any responsibility or obligation to DTC Participants, to the persons for whom they act as nominees, to Beneficial Owners, or to any other person who is not shown on the registration books as being an owner of the Bonds, with respect to (i) the accuracy of any records maintained by DTC or any DTC Participants; (ii) the payment by DTC or any DTC Participant of any amount in respect of the principal of and interest on the Bonds; (iii) the delivery of any notice which is permitted or required to be given to registered owners under the Resolution; (iv) any consent given or other action taken by DTC as registered owner; or (v) any other matter arising with respect to the Bonds or the Resolution. The District and the Paying Agent cannot and do not give any assurances that DTC, DTC Participants or others will distribute payments of principal of and interest on the Bonds paid to DTC or its nominee, as the registered owner, or any notices to the Beneficial Owners or that they will do so on a timely basis or will serve and act in a manner described in this Official Statement. The District and the Paying Agent are not responsible or liable for the failure of DTC or any DTC Participant to make any payment or give any notice to a Beneficial Owner in respect to the Bonds or any error or delay relating thereto.

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