



**BOARD OF TRUSTEES
REGULAR BOARD MEETING**

Board of Trustees
Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

Superintendent
Ken Noah

Union High School District

**THURSDAY, MARCH 1, 2012
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD, ENCINITAS, CA. 92024**

Welcome to the meeting of the San Dieguito Union High School District Board of Trustees.

PUBLIC COMMENTS

If you wish to speak regarding an item on the agenda, please complete a speaker slip located at the sign-in desk and present it to the Secretary to the Board prior to the start of the meeting. When the Board President invites you to the podium, please state your name, address, and organization before making your presentation.

Persons wishing to address the Board on any school-related issue not elsewhere on the agenda are invited to do so under the "Public Comments" item. If you wish to speak under Public Comments, please follow the same directions (above) for speaking to agenda items. Complaints or charges against an employee are not permitted in an open meeting of the Board of Trustees.

In the interest of time and order, presentations from the public are limited to three (3) minutes per person, per topic. The total time for agenda and non-agenda items shall not exceed twenty (20) minutes. An individual speaker's allotted time may not be increased by a donation of time from others in attendance.

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda.

PUBLIC INSPECTION OF DOCUMENTS

In compliance with Government Code 54957.5, agenda-related documents that have been distributed to the Board less than 72 hours prior to the Board Meeting will be available for review on the district website, www.sduhsd.net and/or at the district office. Please contact the [Office of the Superintendent](#) for more information.

CONSENT CALENDAR

All matters listed under Consent are those on which the Board has previously deliberated or which can be classified as routine items of business. An administrative recommendation on each item is contained in the agenda supplements. There will be no separate discussion of these items prior to the time the Board of Trustees votes on the motion unless members of the Board, staff, or public request specific items to be discussed or pulled from the Consent items. To address an item on the consent calendar, please follow the procedure described under *Comments on Agenda Items*.

CLOSED SESSION

The Board will meet in Closed Session to consider qualified matters of litigation, employee negotiations, student discipline, employee grievances, personnel qualifications, or real estate negotiations which are timely.

CELL PHONES/PAGERS

As a courtesy to all meeting attendees, please set cellular phones and pagers to silent mode and engage in conversations outside the meeting room.

In compliance with the Americans with Disabilities Act, if you need special assistance, disability-related modifications, or accommodations, including auxiliary aids or services, in order to participate in the public meetings of the District's Governing Board, please contact the [Office of the Superintendent](#). Notification 72 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accommodation and accessibility to this meeting. Upon request, the District shall also make available this agenda and all other public records associated with the meeting in appropriate alternative formats for persons with a disability.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING**

AGENDA

**THURSDAY, MARCH 1, 2012
6:30 PM**

**DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

PRELIMINARY FUNCTIONS (ITEMS 1 – 6)

- 1. CALL TO ORDER; PUBLIC COMMENTS REGARDING CLOSED SESSION ITEMS 6:00 PM
- 2. **CLOSED SESSION** **6:01 PM**
 - A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.* (1 Issue)
 - B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / California School Employees Association
 - C. Consideration and/or deliberation of student discipline matters (1 case)

REGULAR MEETING / OPEN SESSION **6:30 PM**

- 3. RECONVENE REGULAR BOARD MEETING / CALL TO ORDER BOARD PRESIDENT
* WELCOME / MEETING PROTOCOL REMARKS
- 4. PLEDGE OF ALLEGIANCE
- 5. REPORT OUT OF CLOSED SESSION
- 6. APPROVAL OF MINUTES OF THE BOARD WORKSHOP AND REGULAR BOARD MEETING OF FEBRUARY 16, 2012
Motion by _____, second by _____, to approve the Minutes of the February 16th Board Meetings (2), as shown in the attached supplement(s).

NON-ACTION ITEMS (ITEMS 7 - 10)

- 7. STUDENT UPDATES.....STUDENT BOARD REPRESENTATIVES
 - A. OATH OF OFFICE, SKYLAR CHRISTENSEN, SUNSET HIGH SCHOOL, KEN NOAH
 - B. STUDENT UPDATES.....STUDENT BOARD REPRESENTATIVES
- 8. BOARD REPORTS AND UPDATES BOARD OF TRUSTEES
- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS, AND LEGISLATIVE UPDATES..... KEN NOAH
- 10. SCHOOL UPDATE, OAK CREST MIDDLE SCHOOL ANNA PEDROZA, PRINCIPAL

CONSENT AGENDA ITEMS (ITEMS 11 - 15)

Upon invitation by the President, anyone who wishes to discuss a Consent Item should come forward to the lectern, state his/her name and address, and the Consent Item number.

11. SUPERINTENDENT

- A. GIFTS AND DONATIONS
Accept the Gifts and Donations, as shown in the attached supplement(s).

B. FIELD TRIP REQUESTS

Accept the Field Trips, as shown in the attached supplement(s).

12. HUMAN RESOURCES

A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

1. Certificated and/or Classified Personnel Reports, as shown in the attached supplement(s).

13. EDUCATIONAL SERVICES

A. APPROVAL/RATIFICATION OF AGREEMENTS

(None submitted)

14. PUPIL SERVICES

A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING

Approve entering into the following non-public school / non-public agency master contracts (NPS/NPAs), independent contractor agreements (ICAs), and or memorandums of understanding (MOUs), to be funded by the General Fund 06-00/Special Education, and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents.

1. Encinitas Learning Center, during the period January 15, 2012 through June 30, 2012.
2. Alternative Learning Strategy Center, during the period February 1, 2012 through June 30, 2012.

15. BUSINESS

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreements:

1. Laura Siem to conduct dance workshops and create choreography for student dancers at La Costa Canyon High School, during the period of March 1, 2012 through May 30, 2012, in the amount of \$800.00, to be paid for by the La Costa Canyon High School Associated Student Body.
2. Emmi Bissell to conduct dance workshops and create choreography for student dancers at La Costa Canyon High School, during the period of March 1, 2012 through May 30, 2012, in the amount of \$350.00, to be paid for by the La Costa Canyon High School Associated Student Body.
3. Morningstar Productions, LLC, to provide sound and stage equipment and services for Canyon Crest Academy graduation, during the period June 13, 2012 through June 15, 2012, for an amount not to exceed \$9,662.73, to be expended from the General Fund 03-00 and reimbursed by the Canyon Crest Academy Foundation.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS

Approve/ratify amending the following agreements and authorize Christina M. Bennett or Eric R. Dill to execute the agreements:

1. La Costa Valley Homeowners Association, extending the license to use facilities for school bus off-loading and loading of students for access to the pedestrian bridge, for an additional one-year period, April 1, 2012 through March 31, 2013, at the consideration of \$100.00 per year, to be expended from the General Fund 03-00.

C. AWARD/RATIFICATION OF CONTRACTS

(None Submitted)

D. ACCEPTANCE OF CONSTRUCTION PROJECTS
(None Submitted)

E. APPROVAL OF BUSINESS REPORTS
Approve the following business reports:

1. Purchase Orders
2. Membership Listing (None Submitted)

ROLL CALL VOTE FOR CONSENT AGENDA..... (ITEMS 11 - 15)

_____ Joyce Dalessandro	_____ Amanda Godfrey, San Dieguito Academy
_____ Barbara Groth	_____ Eddie Gelman, Torrey Pines High School
_____ Beth Hergesheimer	_____ McKenzie Kastl, La Costa Canyon High School
_____ Amy Herman	_____ Skylar Christensen, Sunset High School
_____ John Salazar	_____ Jon Zhang, Canyon Crest Academy

DISCUSSION / ACTION ITEMS (ITEMS 16 – 19)

16. CSBA DELEGATE ASSEMBLY ELECTIONS, 2012, (9 VACANCIES)
Motion by_____, second by_____, to vote for up to nine candidates for CSBA Delegate Assembly, 2012, as shown in the attached supplement(s).
17. APPROVAL AND CERTIFICATION OF THE 2011-12 GENERAL FUND 2ND INTERIM BUDGET
Motion by_____, second by_____, to approve and certify the 2011-12 2nd Interim General Fund Budget and approve the positive certification regarding the District’s ability to meet its financial obligations the remainder of this fiscal year and two subsequent years, and supporting documents as required by AB 2861, Chapter 1150, Statutes of 1986, as shown in the attached supplements.
18. APPROVAL OF AMENDMENT TO AGREEMENT / DOLINKA GROUP, LLC / TO OBTAIN COMMUNITY INPUT RELATED TO POTENTIAL GENERAL OBLIGATION BOND MEASURE
Motion by_____, second by_____, to approve amending the agreement entered into with Dolinka Group, LLC to obtain community input related to placing a GO Bond measure on the ballot, including developing a community outreach program, identifying key stakeholders, creating factual non-advocacy information and material, designing, conducting, and interpreting a limited baseline public opinion poll, and development of potential ballot language, during the period March 1, 2012 through July 31, 2012, in the amount of \$2,000.00 per month, and during the period August 1, 2012 through August 15, 2012, in the amount of \$1,500.00, plus \$18,000.00 at the time the limited baseline public opinion poll is completed, plus expenses related to the expanded scope of work, to be expended from Capital Facilities Fund 25-18, and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreement.
- * 19. ADOPTION OF RESOLUTION / 2012A LEASE REVENUE BONDS / TORREY PINES HIGH SCHOOL PROJECTS
Motion by_____, second by_____, to adopt the attached Resolution of the Board of Trustees of the San Dieguito Union High School District (The “Board”), Authorizing the Issuance by the San Dieguito Public Facilities Authority of Lease Revenue Bonds, Distribution of an Official Statement and Taking Certain Other Actions Related Thereto.

** IMMEDIATELY FOLLOWING ACTION ON THIS ITEM, THE BOARD WILL TEMPORARILY ADJOURN AND SUMMON A MEETING OF THE SAN DIEGUITO PUBLIC FACILITIES AUTHORITY, THEN RECONVENE THE REGULAR MEETING.*

INFORMATION ITEMS..... (ITEMS 20 - 27)

20. BUSINESS SERVICES UPDATE ERIC DILL, ASSOCIATE SUPERINTENDENT
21. HUMAN RESOURCES UPDATE TERRY KING, ASSOCIATE SUPERINTENDENT
22. EDUCATIONAL SERVICES UPDATE RICK SCHMITT, ASSOCIATE SUPERINTENDENT
23. PUBLIC COMMENTS

In accordance with the Brown Act, unless an item has been placed on the published agenda, there shall be no action taken. The Board may 1) acknowledge receipt of the information, 2) refer to staff for further study, or 3) refer the matter to the next agenda. (See Board Agenda Cover Sheet)

24. FUTURE AGENDA ITEMS

25. **ADJOURNMENT TO CLOSED SESSION** (AS NECESSARY)

- A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.*
(1 issue)
- B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / California School Employees Association
- C. Consideration and/or deliberation of student discipline matters (1 case)

26. REPORT FROM CLOSED SESSION (AS NECESSARY)

27. MEETING ADJOURNED

The next regularly scheduled Board Meeting will be held on [Thursday, March 15, 2012, at 6:30 PM](#) in the SDUHSD District Office Board Room 101. The District Office is located at 710 Encinitas Blvd., Encinitas, CA, 92024.



Union High School District

Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

Superintendent
Ken Noah

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES WORKSHOP**

MINUTES

**THURSDAY, FEBRUARY 16, 2012
5:00 PM**

**DISTRICT OFFICE BOARD ROOM
710 ENCINITAS BLVD., ENCINITAS, CA. 92024**

The Governing Board of the San Dieguito Union High School District held a Board Workshop on Thursday, February 16, 2012, at the above location.

ATTENDANCE

BOARD OF TRUSTEES

All board members were present.

DISTRICT ADMINISTRATION

Ken Noah, Superintendent
Eric Dill, Associate Superintendent, Business
Terry King, Associate Superintendent, Human Resources
Rick Schmitt, Associate Superintendent, Educational Services
John Adleman, Director, Planning and Financial Management
Sue Koehnen, Director, Human Resources
Joann Schultz, Recording Secretary

1. CALL TO ORDER

The meeting was called to order at 5:00 PM.

INFORMATION ITEMS

2. BUDGET UPDATE

Mr. Dill gave some opening comments. The following topics were covered:

- Governor's proposed budget
- Property Tax Outlook
- Funding & Expenditures History
- District Revenue & Expenditures History

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Canyon Crest Academy • Carmel Valley MS • Diegueño MS • Earl Warren MS • La Costa Canyon HS • North Coast Alternative HS
Oak Crest MS • San Dieguito Adult Education • San Dieguito Academy • Sunset HS • Torrey Pines HS

- Proposed State Budget Effects on the District
- Weighted Student Formula
- Transportation Funding
- 11-12 HTS Transportation Routes
- 12-13 HTS Transportation Options
- Fair Share
- Redevelopment Agencies
- Mandate Reform
- Target Reductions
- 12-13 Potential Solutions
- Next Steps

For details on this presentation, please refer to the attached document, which was distributed at the workshop.

3. ADJOURNMENT

The meeting was adjourned at 5:56 PM.

Amy Herman, Board Clerk

____ / ____ / 2012
Date

Ken Noah, Superintendent

____ / ____ / 2012
Date

2012-13 Budget Update

SDUHSD Board Workshop
February 16, 2012
5:00 p.m.

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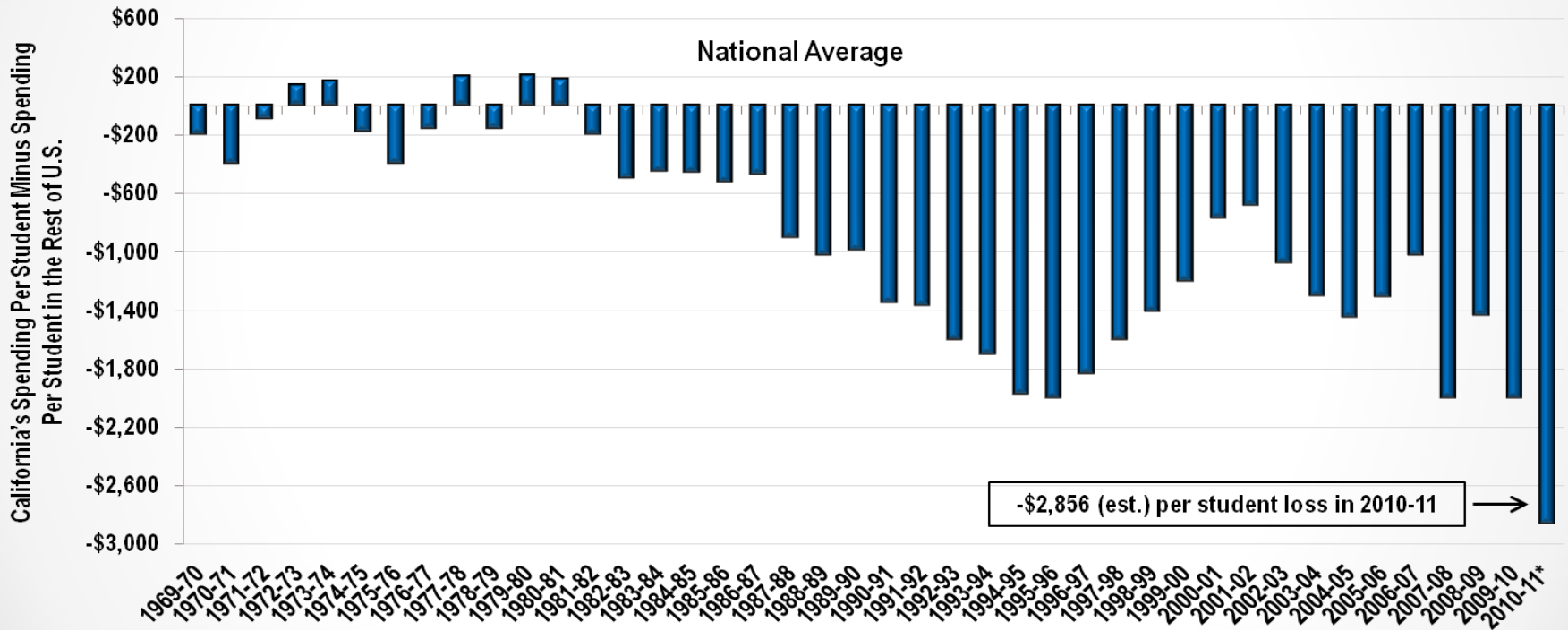
- Governor's Proposed Budget
- Property Tax Outlook
- Funding & Expenditures History
- District Revenue & Expenditures History
- Proposed State Budget Effects on the District
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Governor's Proposed Budget

- State budget proposal is best categorized as a status quo year with the chance of additional cuts
- While the economy is recovering slowly, the state education budget has not
 - More threats of future cuts
 - No funding of the Cost of Living Adjustments (COLAs)
 - No reduction of the Revenue Limit Deficit Factor
 - \$8 -10 billion in deferrals
- When the above issues are addressed, then we can say education funding is recovering
- At the point of full restoration, California might rise to 46th in the nation in education funding

California's Education Spending Continues to Lag

California's K-12 Spending Per Student Lags Behind That of the Rest of the U.S. More Than at Any Time in 40 Years



* 2010-11 data estimated

Note: Rest of U.S. excludes the District of Columbia

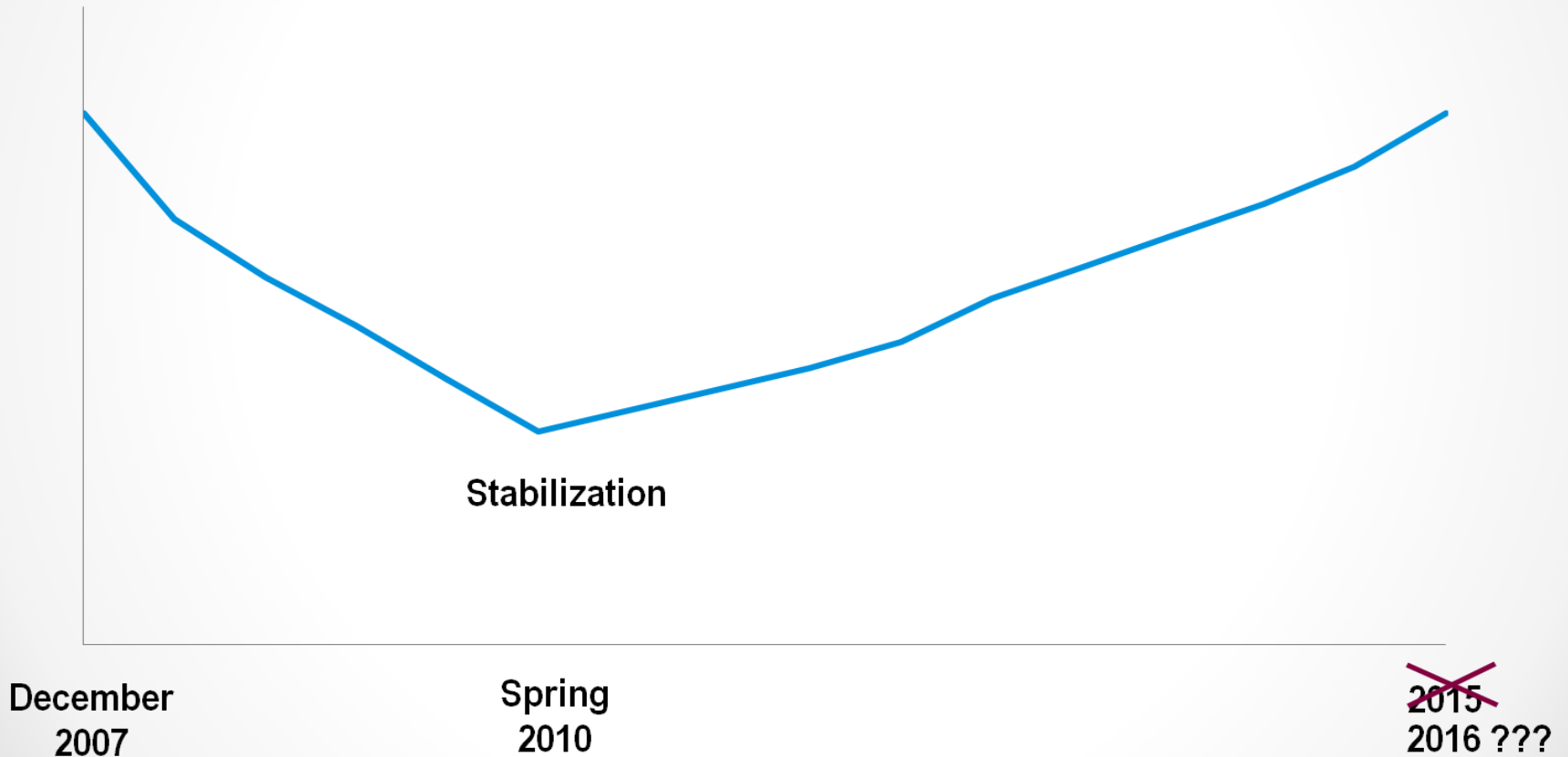
Source: National Education Association

Source: 2012 School Services of California, Inc.

Recovery Takes a Long Time

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

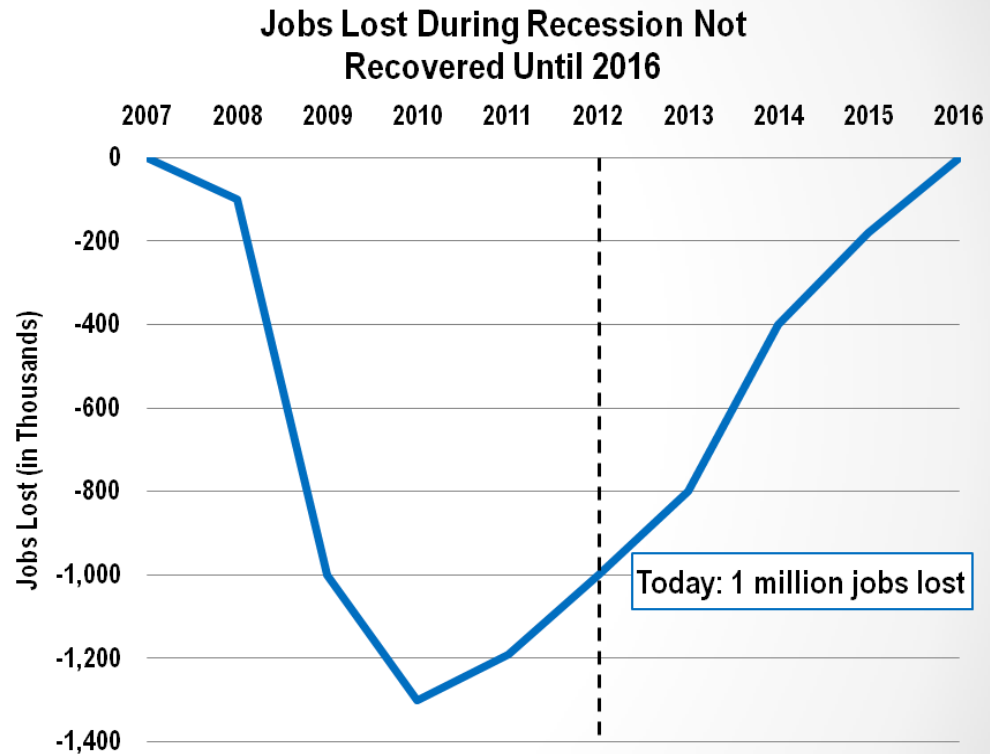
The Economic Cycle



Source: 2012 School Services of California, Inc.

California's Labor Market

- California lost 1.3 million payroll jobs in the recession
- About one-third of this job loss has been recovered
- It may take four and a half more years to reach California's prerecession employment peak



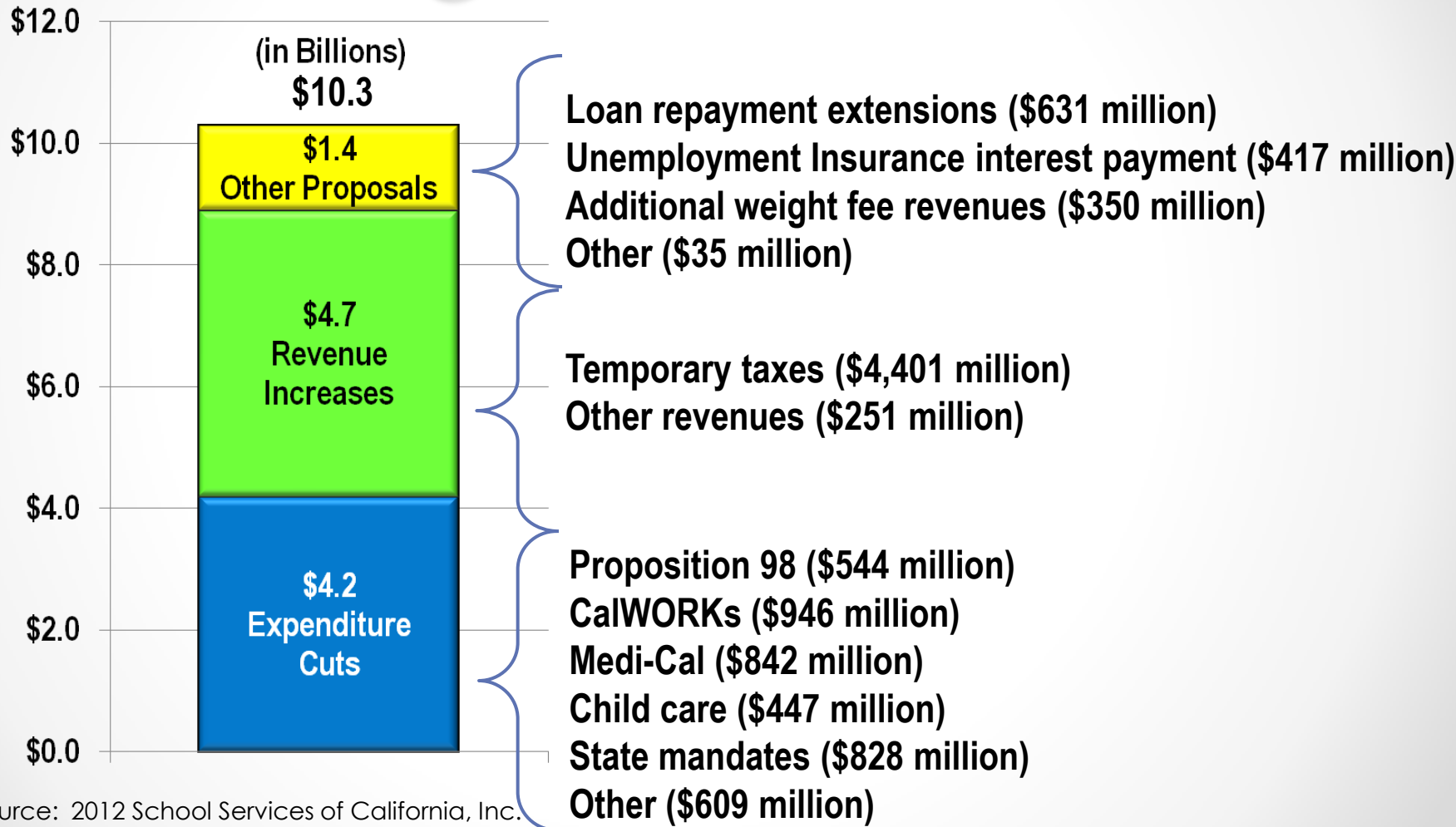
Source: 2012-13 Governor's Budget, page 41

Source: 2012 School Services of California, Inc.

Governor's Proposed Budget

- Governor proposes \$10.3 billion in budget solutions for the 12-13 fiscal year
- Combination of cuts, new revenues, and transfers
- Assumes that new temporary taxes are approved by the voters
- Trigger reductions in place for 12-13 if the tax initiative does not pass
 - Trigger reductions total \$5.4 billion
 - Cuts are linked to the failure of the ballot initiative, not a general revenue shortfall

Governor's Budget Solutions



Governor's Proposed Budget

- Trigger reductions hit education the hardest, particularly Proposition 98
- Prop 98 gets half of the new revenue if the tax initiative passes, but suffers 90% of the cuts if it doesn't

Programs Targeted for Trigger Cuts

Program	Amount	% Share
Prop 98	\$4,837 M	89.7%
Univ of CA	\$200 M	3.7%
Cal State Univ	\$200 M	3.7%
Courts	\$125 M	2.3%
All other	\$28 M	0.6%
Total	\$5,390 M	100%

Governor's Proposed Budget

If the tax initiative passes:

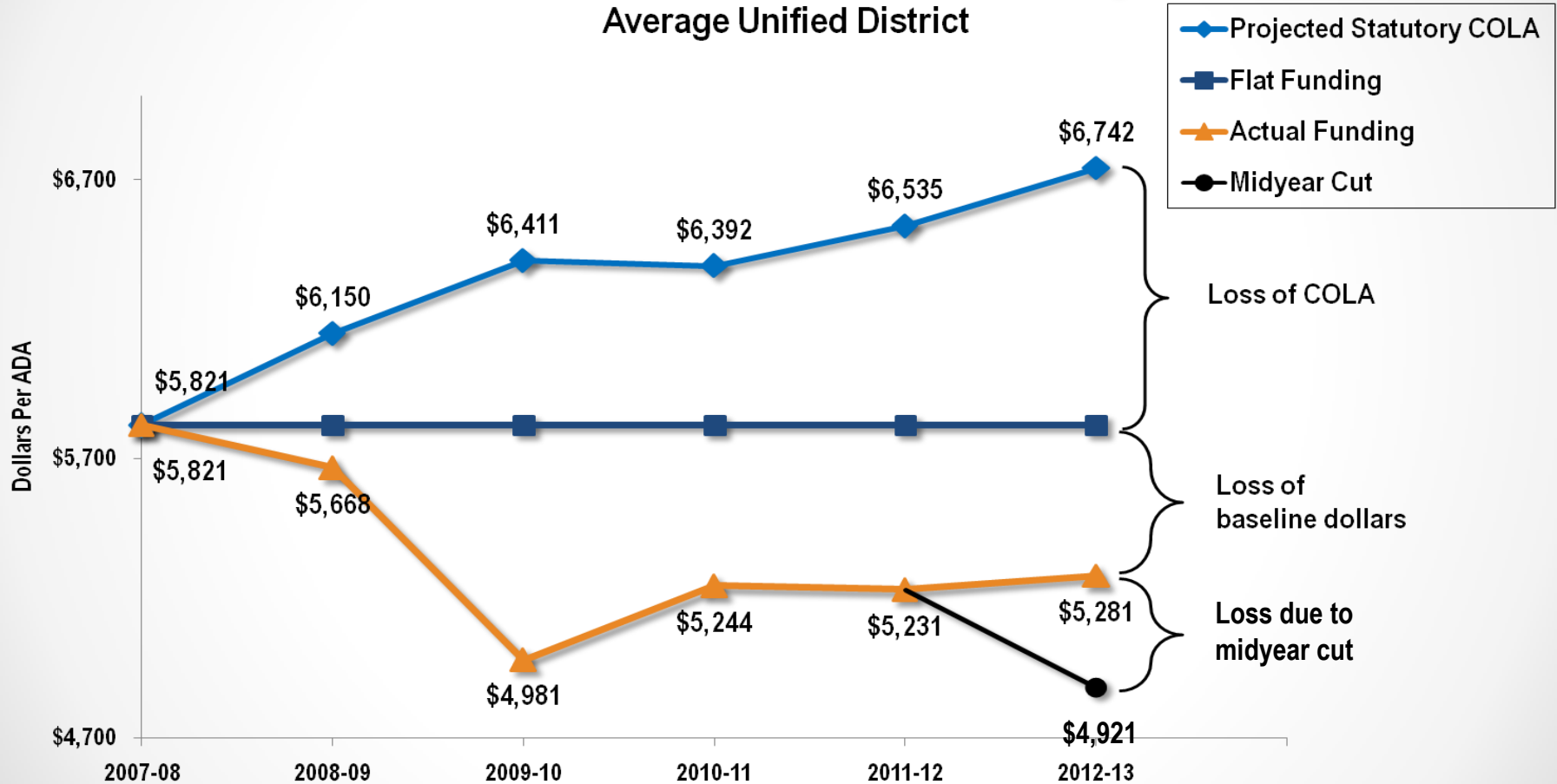
- Flat funding for schools, except for transportation
- Revenue Limits not increased; no COLA
- Deferrals paid down

If the tax initiative fails:

- \$4.8 billion reduction in K-14 funding
 - Reinstatement of deferrals - \$2.2 billion
 - Bond debt service shifted to Prop 98 - \$2.6 billion
- Loss of about \$370 per ADA

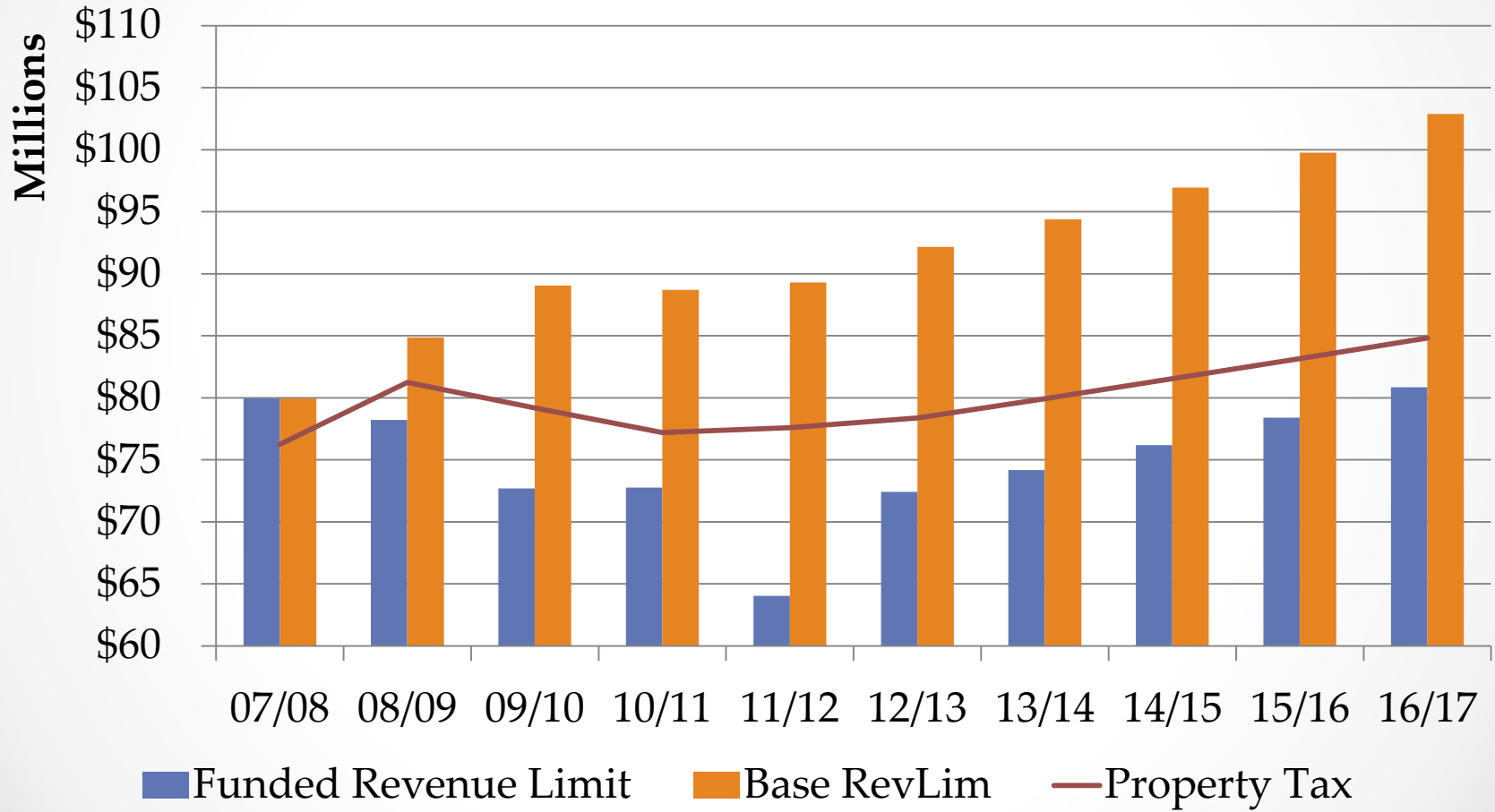
Funding Per ADA Actual vs. Statutory Level

Average Unified District

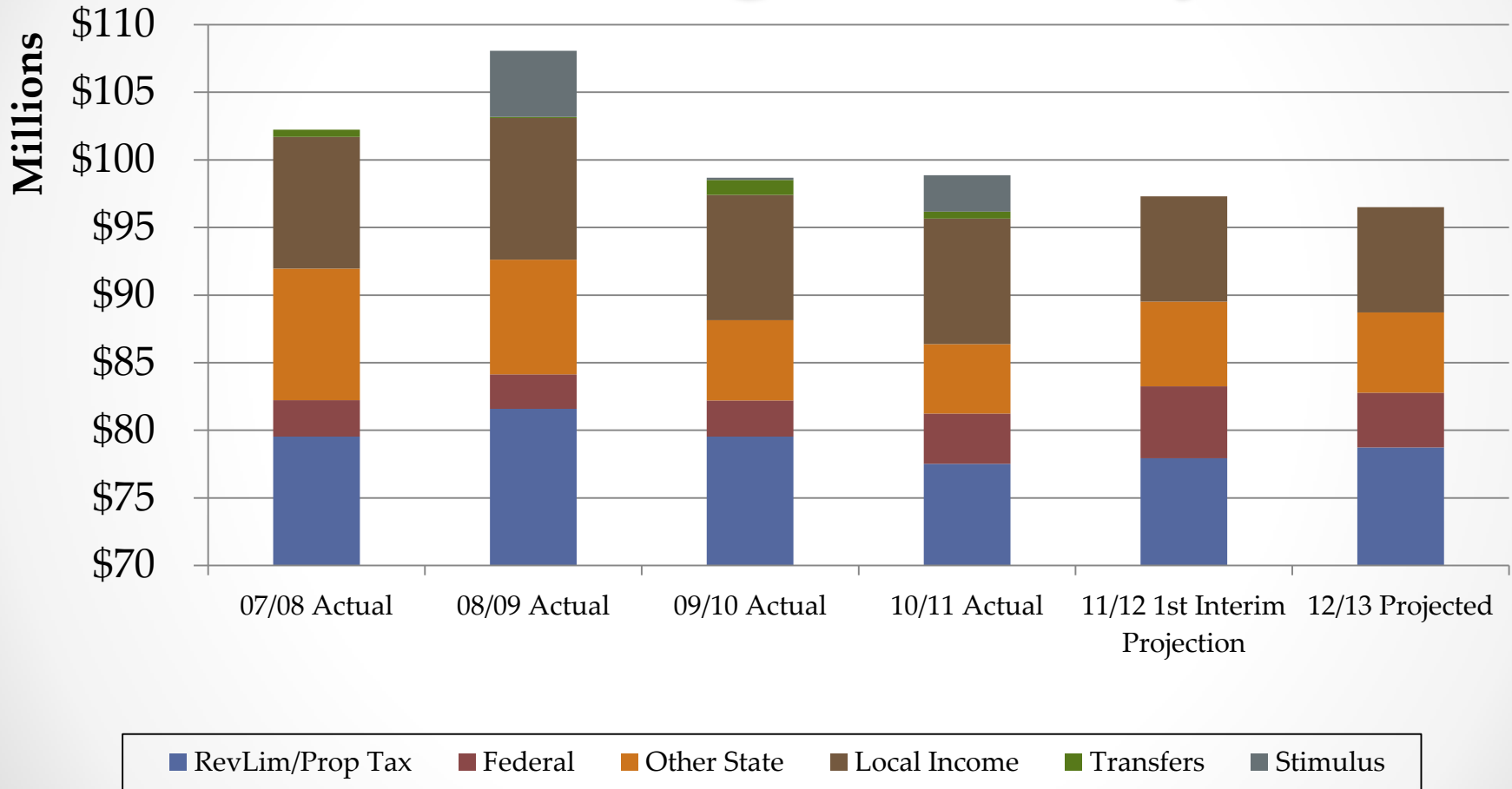


Source: 2012 School Services of California, Inc.

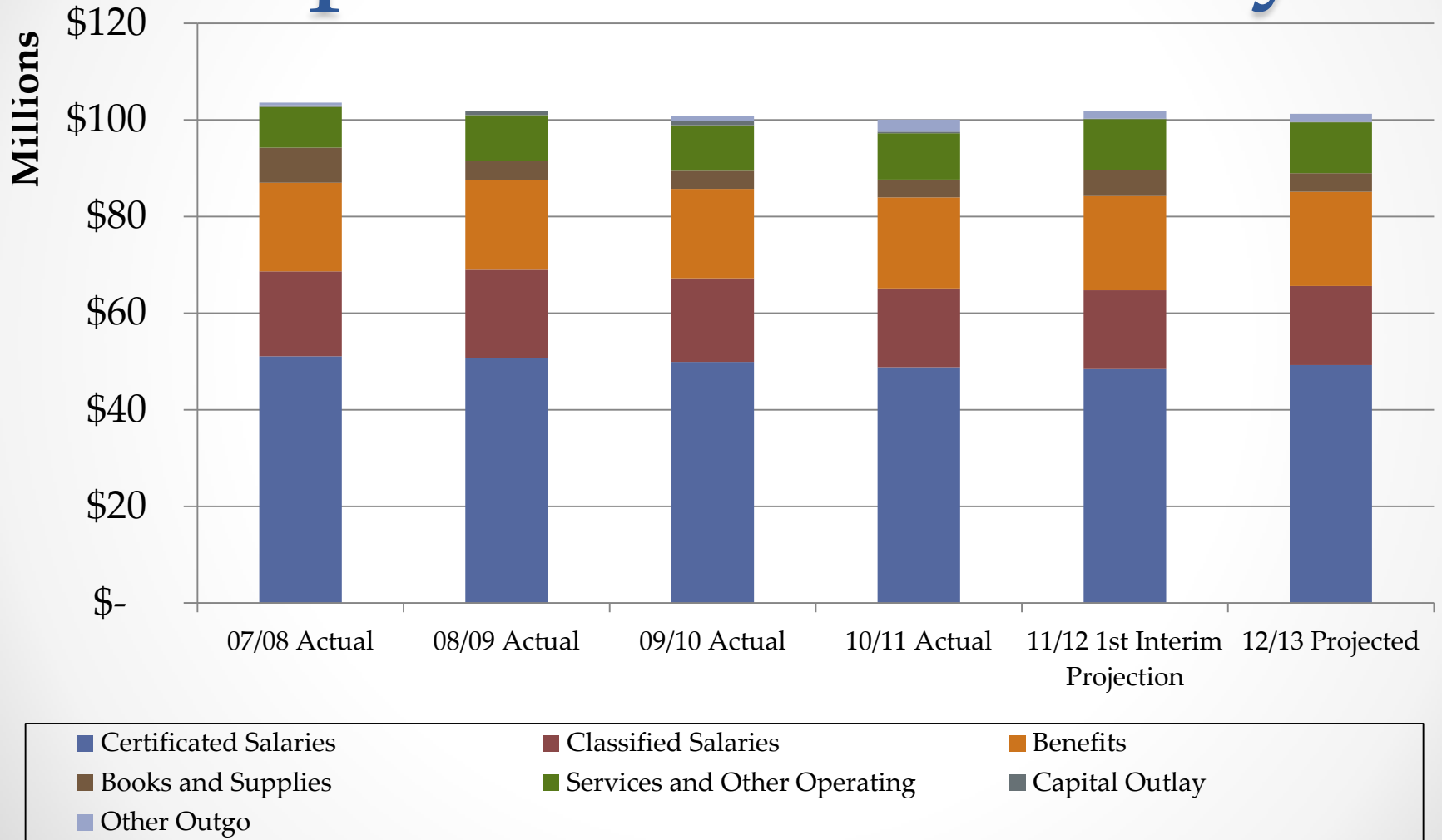
Property Tax Outlook



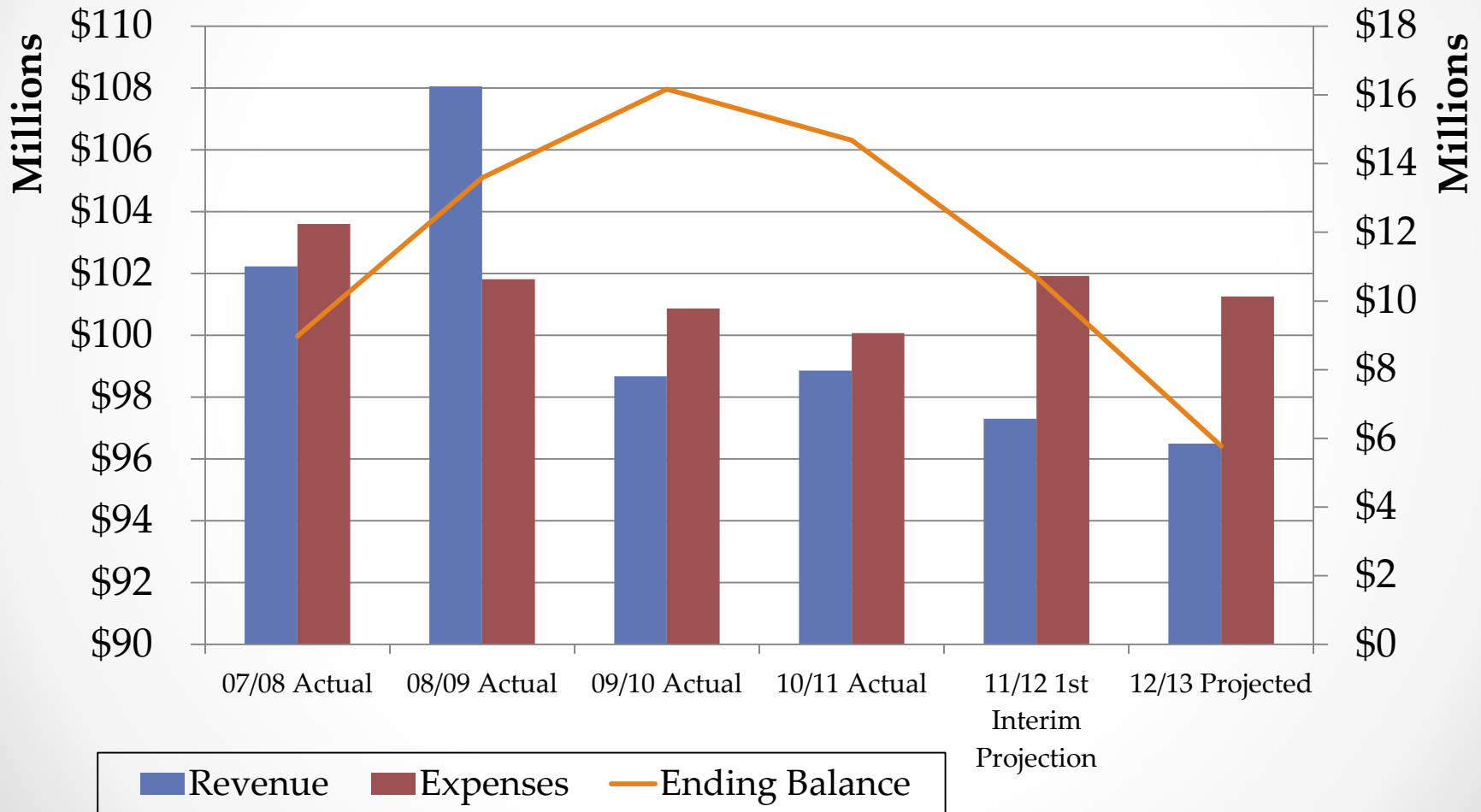
Funding History



Expenditures History



District Revenue & Expenditures



Proposed State Budget Effects on the District

- Three major areas impacted by Governor's Budget
 - Categorical Funding Shift to Weighted Student Formula
 - Transportation
 - Fair Share Contribution
- Other areas of interest
 - Redevelopment Agencies
 - Mandate Reform

Minutes, (Handout) February 16, 2012 Board Workshop, Budget Update

Weighted Student Formula

- Categorical funding revolutionized
 - All state categorical programs eliminated except those required by federal law such as special education
 - Funds formerly used for categorical programs redistributed to districts as unrestricted funding
 - Base grant
 - \$4,920 per ADA
 - Supplemental grant
 - $\$4,920 \times 37\% \times [\text{Number of English Learners \& Free \& Reduced Students}]$
 - Phased in over six years
 - 2012-13—5% on the new formula
 - 2013-14—15%
 - 2014-15—40%
 - 2015-16—60%
 - 2016-17—80%
 - 2017-18—100%

Weighted Student Formula

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

- Weighted Student Formula and Basic Aid
 - Allocation formula appears to be $[\text{Revenue Limit}] + [\text{WSF}] - [\text{Property Tax}]$
 - Districts with high amount of Excess Tax would be shut out
 - Will not be incorporated in Second Interim Multi-Year Projection
- For 2012-13
 - Hold Harmless clause for districts—no loss of categorical funds compared to 2011-12
 - Home-to-School Transportation funding is restored
 - HTS funding is made flexible for “any educational purpose”
- For 2013-14 and beyond
 - Categorical funding phased out as WSF is phased in
 - Home-to-School funding is eliminated and replaced with WSF
 - There will be winners & losers

Transportation Funding

- 2011-12 Funding
 - Half of state transportation funding cut as part of the trigger reductions
 - Disparate effect statewide
 - Rural districts severely impacted
 - Restored by the Legislature and Governor in SB 81
 - Offset by 0.65% cut to Revenue Limits
 - Fair Share will increase by same amount
- 2012-13 Funding
 - Eliminated without comment in the Governor's proposed budget
 - Restored in budget trailer bill and tied to the Weighted Student Formula
 - Specifically restored for "2012-13 only"
 - Restored funding is made flexible for any educational purpose (Tier III)
 - Flexible funding to District: \$550,000

Transportation Funding

- Reinstated transportation funding is available for any educational purpose
- Transportation-related encroachments:
 - Special Education - \$2.8 M
 - Home-to-School - \$264 K
 - Athletic Field Trips - \$219 K

2011-12	Revenue	Expense	Net
Spec Ed	\$79,185	\$2,894,776	(\$2,815,591)
HTS	\$989,086	\$1,253,206	(\$264,120)
Field Trips	\$315,550	\$535,000	(\$219,450)
Total	\$1,383,821	\$4,682,982	(\$3,299,161)

Transportation Funding

- State Transportation revenue restored for current year by SB 81
- Middle School Transportation still operates with a deficit due to prior state categorical program reductions

2011-12 HTS Transportation Revenue	
State Revenue	\$481,086
Bus Pass Revenue	\$508,000
General Fund Contribution	\$264,120
Total	\$1,253,206

11-12 Home-to-School Transportation Routes

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

Middle School	Routes	Riders
Oak Crest MS	7	252
Diegueno MS	2	85
Carmel Valley MS	6	268
Earl Warren MS*	6	206
Total	21	811

High School	Routes	Riders
SDA to LCC	1	37
LCC to SDA	1	24
Sol Bch to TPHS	1	29
Sol Bch to Sunset	1	11
Total	4	101

*Includes 30 students from CVMS attendance area

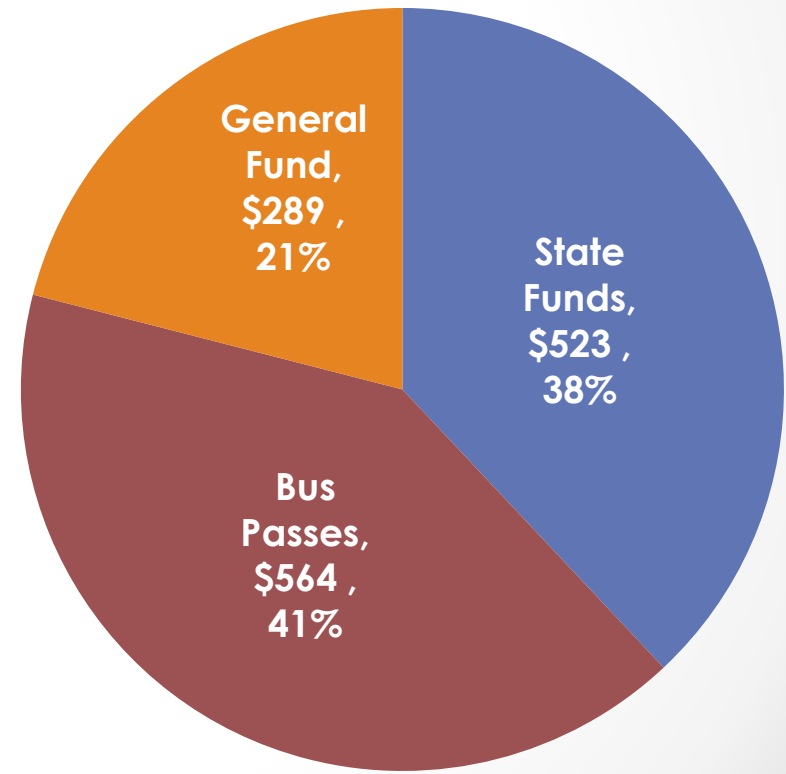
11-12 Home-to-School Transportation Routes

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

Average Daily Ridership

- 912 Riders – about 7% of enrollment
- Bus pass fee is currently \$600
 - 90 Middle school students qualify for a free pass
 - 146 High school students qualified for a free pass at the beginning of the year (101 students currently riding consistently)
- Cost per student is approximately \$1,375

Revenue Per Student



12-13 Home-to-School Transportation Options

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

- While transportation funding is reinstated for 2012-13, it is now flexible
- The budget trailer bill eliminates transportation funding by statute after 2012-13
- If current proposal is enacted, the District is faced with these options:
 - Keep Transportation options as-is for 2012-13
 - Make adjustments to service to reduce / eliminate encroachments
 - Eliminate Home-to-School Transportation
 - In 2012-13 and apply flexible funding to other purposes
 - In 2013-14 due to loss of funding
 - Combination of the above

12-13 Home-to-School Transportation Options

Minutes, (Handout) February 16, 2012
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- 12-13 funding may be the final year of designated transportation funding
- District is possibly shut out from receiving Weighted Student Formula funding depending on Excess Tax vs WSF phase-in levels
- Total loss of transportation funding means:
 - HTS encroachment would approach \$750,000
 - Savings would need to be found elsewhere in the budget
 - Bus pass fee revenue is insufficient to cover costs
 - Approximately \$1,100 per student would be needed to cover the loss of state funding
 - \$1,375 per student for transportation to be self-supporting

12-13 Home-to-School Transportation Options

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

- Options
 - Eliminate Home-to-School Transportation
 - Relieves General Fund of \$264K encroachment compared to current year
 - Avoids encroachment increase to \$750K when funding is eliminated in 2013-14
 - HTS & SpEd transportation encroachment could be reduced by \$750K in 2012-13 if eliminated next year
 - Shifts resources to Athletic Field trips
 - In-house field trips are less costly than charters when buses and drivers are available
 - Athletic field trips operating with a \$219K deficit
 - Changes in driver work rules would need to be negotiated
 - Raise Bus Pass Fee
 - Price point tolerance is unknown
 - Paid ridership may drastically decrease in response
 - \$100 increase would result in \$70,000 revenue

12-13 Home-to-School Transportation Options

- Options
 - Stagger Middle School Bell Schedules
 - Fewer bus drivers needed to accommodate all routes
 - Savings of approximately \$200,000
 - Morning bell times could range from 7:15 to 9:00
 - Eliminate High School Shuttles
 - Savings of approximately \$100,000
 - Impacts lower socio-economic students

12-13 Home-to-School Transportation Options

Minutes, (Handout) February 16, 2012
Board Workshop, Budget Update

- Due to uncertainty of legislative process, staff will continue to:
 - Prepare alternatives for elimination of HTS service for both 2012-13 and 2013-14
 - Prepare options to close gap between revenue & expense
 - Continue to update Board of Trustees on developments with state budget and impacts on transportation funding
- May Revise could further alter our outlook

Fair Share

- Basic Aid districts contribute back to the state lesser of:
 - 9.57% of the Base Revenue Limit (8.92% prior to SB 81)
 - SDUHSD = \$8,547,496
 - Estimated amount of its excess property tax at prior year P-2
 - SDUHSD = \$4,897,247
- Any increase in our current year excess tax increases next year's Fair Share Contribution
 - Drop in Revenue Limit (SB 81 resulted in 0.65% cut)
 - \$370/ADA Trigger cut in 12-13
 - Natural growth in Property Tax
- Unknown if shift to Weighted Student Formula would affect Fair Share contribution

Redevelopment Agencies

- Single small RDA within District boundaries
- Agencies must first retire their bond debt
- As debt is retired and property tax grows, districts will see increase in revenue formerly directed toward RDAs
- This is not a windfall, but a small increase over time

Mandate Reform

- Governor proposes to eliminate many educational mandates and make the remaining mandates optional
- No funding for eliminated mandates
- Block grant for districts performing optional mandates paid on a per ADA basis

Mandate Reform

Eliminated

- Behavioral Intervention Plans
- Caregiver Affidavits
- Second Science Class
- Habitual Truants
- Scoliosis Screening
- Student Records

Optional

- Collective Bargaining
- Immunization Records
- Teacher Evaluation
- Criminal Background Checks
- School Accountability Report Cards

Target for Reductions

- Target set at \$3 million
- Working on Second Interim Budget
- Weighing options for 12-13 budget
 - Considering likelihood of Governor's proposals
 - Available information to forecast impacts
 - Budget workshop discussion
- Multi-year projection will be shared with Second Interim Budget at next Board meeting

12-13 Potential Solutions

Certificated Staffing & Benefits	Amount
Savings through retirements	\$300,000
Reduction of Non-Formula Sections	\$200,000
Administrative Reductions	\$165,597
Reduce Counselors	\$320,000
Eliminate READI Counselors	\$90,000
Reduce Graduation Credits from 230 to 220	\$500,000
Total	\$1,575,597

12-13 Potential Solutions

Classified Staffing & Benefits	Amount
District & Site-Level Reductions	\$830,000
Absorb more payroll into Mello-Roos funds	\$20,000
Reduce 24 Walk-on Coaches (@ \$3,348 each)	\$80,352
Total	\$930,352

12-13 Potential Solutions

Materials, Supplies, & Services	Amount
Reduce Textbook Purchases	\$165,597
Reduce ROP supply budget to 09/10 level	\$100,000
Additional Solar Project Utility Savings	\$168,847
Suspend out-of-county field trips and conferences	\$15,000
Total	\$449,444

12-13 Potential Solutions

Transportation Options	Amount
Stagger Bell Schedules	\$200,000
Eliminate High School Shuttles	\$100,000
Raise Bus Pass Fee by \$100	\$70,000
Eliminate Middle School Transportation	
Encroachment savings	\$264,120
Use Transportation Funding Flexibly	\$481,086
Range	\$70,000 – 745,000

12-13 Potential Solutions

Revenue Sources	Amount
Increase Athletic Transportation Contributors	\$150,000
Increase Athletic Transportation Contribution	\$175,000
Adult Ed Encroachment Repayment	\$50,000
Expand Parking Citation Program at High Schools	\$30,000
Cell Tower Revenue	
Verizon Tower upgrade @ TPHS	\$10,000
Sprint Tower @ CCA	\$36,000
Clearwire Tower @ SDA	On Hold
Total	\$451,000

12-13 Potential Solutions

Summary	Amount
Certificated	\$1,410,000
Certificated Administration	\$165,597
Classified	\$930,352
Supplies & Services	\$449,444
Transportation	\$745,000
Revenue	\$451,000
Total	\$4,151,393

Next Steps

Board of Trustees
Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

Superintendent
Ken Noah



Union High School District

MINUTES
OF THE
SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
BOARD OF TRUSTEES
REGULAR BOARD MEETING

FEBRUARY 16, 2012

THURSDAY, FEBRUARY 16, 2012
6:30 PM

DISTRICT OFFICE BOARD ROOM 101
710 ENCINITAS BLVD., ENCINITAS, CA. 92024

PRELIMINARY FUNCTIONS..... (ITEMS 1 – 6)

1. President Dalessandro called the meeting to order at 6:00 PM to receive public comments on Closed Session agenda items. No public comments were presented.
2. CLOSED SESSION (ITEM 2)
The Board convened to Closed Session at 6:01 PM to:
 - A. To consider personnel issues, pursuant to Government Code Sections 11126 and 54957; limited to consideration of the appointment, employment, evaluation of performance, discipline /release, dismissal of a public employee or to hear *complaints or charges brought against such employee by another person or employee unless the employee requests a public session.* (2 Issues)
 - B. To conference with Labor Negotiators, pursuant to Government Code Section 54957.8.
Agency Negotiators: Superintendent and Associate Superintendents (3)
Employee Organizations: San Dieguito Faculty Association / California School Employees Association

OPEN SESSION / ATTENDANCE

BOARD OF TRUSTEES

Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar

STUDENT BOARD REPRESENTATIVES

Amanda Godfrey, San Dieguito Academy
Eddie Gelman, Torrey Pines High School
Lexi Zao, Sunset High School
Jon Zhang, Canyon Crest Academy

DISTRICT ADMINISTRATORS / STAFF

Ken Noah, Superintendent
Eric Dill, Associate Superintendent, Business Services
Terry King, Associate Superintendent, Human Resources
Rick Schmitt, Associate Superintendent, Educational Services
Tim Hornig, Principal, San Dieguito Academy
Sue Koehnen, Director, Human Resources
John Addleman, Director, Planning & Financial Management
Joann Schultz, Recording Secretary

3. RECONVENE REGULAR MEETING / CALL TO ORDER (ITEM 3)
The regular meeting of the Board of Trustees was called to order at 6:30 PM by President Dalessandro.
4. PLEDGE OF ALLEGIANCE (ITEM 4)
Ms. Dalessandro led the Pledge of Allegiance.

- 5. REPORT OUT OF CLOSED SESSION (ITEM 5)
No reportable action taken during closed session.
- 6. APPROVAL OF MINUTES OF REGULAR BOARD MEETING, FEBRUARY 2, 2012
It was moved by Ms. Groth, seconded by Ms. Herman, to approve the Minutes of the February 2nd, as presented. Motion unanimously carried.

NON-ACTION ITEMS (ITEMS 7 - 10)

- 7. STUDENT UPDATES..... STUDENT BOARD REPRESENTATIVES
Student Board Representatives gave updates on events and activities at their schools. Mr. Noah presented Lexi Zao a certificate of appreciate for serving as a student board member.

- 8. BOARD UPDATES (ITEM 8)

All board members attended the Budget Update Board Workshop held prior to this meeting.
Ms. Joyce Dalessandro attended a meeting with Adam Kaye, representing Supervisor Pam Slater-Price regarding a water authority issue.

Ms. Barbara Groth attended the NCW JPA meeting and the San Diego County School Board meeting. The “Honoring Our Own” dinner will be held on April 20th, and the Conflict of Interest (Form 700) workshop will be offered by CSBA on February 29th or March 1st.

Ms. Beth Hergesheimer toured Oak Crest MS and will be touring Earl Warren MS, the Visual Performing Arts program at La Costa Canyon HS and will be attending an upcoming LAN meeting.

Ms. Amy Herman also toured Oak Crest MS, and will be touring Earl Warren MS, and attending the Kiss with Kate performance. She also received the 92130 magazine with articles about Torrey Pines HS and Canyon Crest Academy.

Mr. John Salazar chaperoned the Torrey Pines HS winter formal at Science Center at Balboa Park, attended the San Dieguito Academy winter formal and senior night for Torrey Pines HS basketball teams.

- 9. SUPERINTENDENT’S REPORTS, BRIEFINGS AND LEGISLATIVE UPDATES

Superintendent Noah reminded everyone that the office will be closed on Friday & Monday. The LAN meeting will be held on March 1st and the Parent Rep/Site Council meeting will be held on March 5th. The Masters of Governance meeting is scheduled on March 10th and the District Conflict of Interest workshop (Form 700) is on March 13th. The San Diego County Office of Education superintendent is scheduled to visit the District next Thursday.

Mr. Noah also gave an update on the previously proposed Tramutola contract which was pulled from this agenda. Mr. Noah and Mr. Dill are working with the Dolinka Group who will submit a proposal for community engagement and public information and outreach services. The proposal will be shared prior to the March 1 Board meeting when it will be considered

- 10. UPDATE, SAN DIEGUITO ACADEMY.....TIM HORNIG, PRINCIPAL

Principal Hornig reported on accomplishments in student academic achievement, staff and student connections, and achievements in performing arts and sports. He also reported on Back to School night, second term transition, vision and student achievement, and the WASC self-review,

The board thanked Mr. Hornig for his presentation. Mr. Hornig will complete his first year as principal of San Dieguito Academy this June.

CONSENT ITEMS..... (ITEMS 11 - 15)

At the request of Trustee John Salazar, Item 15A2 was pulled from the consent agenda. It was then moved by Ms. Hergesheimer, seconded by Jon Zhang, that all remaining consent Items 11 through 15A1, and 15A3-4, be approved as listed below. Motion unanimously carried.

The following public comments were presented regarding Item 15A2:

- Steven McDowell

It was then moved by Ms. Groth, seconded by Ms. Hergesheimer, that item 15A2 be approved as presented. 4 ayes: 1 no (Mr. Salazar); motion carried.

11. SUPERINTENDENT

A. GIFTS AND DONATIONS

Accept the Gifts and Donations, as presented.

B. FIELD TRIP REQUESTS

Accept the Field Trips, as presented.

12. HUMAN RESOURCES

A. PERSONNEL REPORTS

Approve matters pertaining to employment of personnel, salaries, leaves of absence, resignations, changes in assignments, extra duty assignments, and consultant services:

1. Certificated and/or Classified Personnel Reports, as presented.

13. EDUCATIONAL SERVICES

A. APPROVAL/RATIFICATION OF AGREEMENTS

Approve/ratify entering into the following agreement and authorize Christina M. Bennett or Eric R. Dill to execute the agreement:

1. Document Tracking Services, LLC (DTS) to provide a license to use DTS proprietary web-based application, during the period January 1, 2012 through December 31, 2012, for an amount not to exceed \$2,495.00, to be expended from the General Fund 03-00.

14. PUPIL SERVICES

A. APPROVAL/RATIFICATION OF NON-PUBLIC SCHOOL / NON-PUBLIC AGENCY CONTRACTS, INDEPENDENT CONTRACTOR AGREEMENTS, AND/OR MEMORANDUMS OF UNDERSTANDING (None Submitted)

B. APPROVAL OF SPECIFIC WAIVER REQUEST, ALGEBRA I GRADUATION REQUIREMENTS FOR PUPILS WITH DISABILITIES

1. Approval of Request of Waiver of Algebra I Graduation Requirements for 1 student with disabilities, who is a senior, and is otherwise eligible in the 2011-12 school year under current statute, as presented.

15. BUSINESS

A. APPROVAL/RATIFICATION OF AGREEMENTS (ITEM 15A2 PULLED; VOTED SEPARATELY AS NOTED ABOVE)

Approve/ratify entering into the following agreements and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreements:

1. Manatt, Phelps & Phillips, LLP, to provide representation and advice to the San Dieguito Union High School District and the San Dieguito Public Facilities Authority, for either an agreed upon fixed fee or at the current hourly rates now at \$215.00 to \$730.00 discounted 10%, during the period February 17, 2012 until terminated by either party, to be expended from the fund to which the service is charged.
2. D.A. Hogan & Associates, Inc., to provide professional consulting services for the Torrey Pines High School field replacement and track and field event resurfacing project, during the period February 17, 2012 until final inspection and certification of completion of project, for a lump sum fee of \$49,500.00 plus an allowance of up to \$6,000.00 for reimbursable expenses, to be expended from the Building Fund 21-09 and the Torrey Pines High School Foundation. Pulled and addressed after consent....
3. Western Environmental & Safety Technologies, LLC (WEST) to provide Asbestos Hazard Emergency Response Act (AHERA) three year re-inspection, during the period February 17,

2012 through December 31, 2012, for an amount not to exceed \$1,975.00, to be expended from the General Fund 03-00.

- 4. San Diego Medical Services Enterprises to provide automatic external defibrillators program maintenance, during the period January 20, 2012 through January 19, 2013, for an amount not to exceed \$425.00, to be expended from the General Fund 03-00.

B. APPROVAL/RATIFICATION OF AMENDMENT TO AGREEMENTS
(None Submitted)

C. AWARD/RATIFICATION OF CONTRACTS

Award/ratify the following contracts and authorize Christina M. Bennett or Eric R. Dill to execute all pertinent documents:

- 1. The SoCo Group, Inc., to provide various gasoline and diesel fuels to the San Dieguito Union High School Transportation Department as part of a cooperative purchasing contract initiated by The City of San Diego, during the period January 23, 2012 through January 22, 2013 with the option to renew four additional one-year periods, to be expended from the General Fund/Restricted 06-00.

D. ACCEPTANCE OF CONSTRUCTION PROJECTS
(None Submitted)

E. APPROVAL OF BUSINESS REPORTS

Approve the following business reports:

- 1. Purchase Orders
- 2. Membership Listing

DISCUSSION / ACTION ITEMS (ITEMS 16 – 18)

16. BOARD POLICY REVISION PROPOSAL, #4216.3-21.6, "NUTRITION SERVICES ASSISTANT II" JOB DESCRIPTION

It was moved by Ms. Hergesheimer, seconded by Ms. Groth, to approve the Board Policy Revision Proposal, #4216.3-21.6, "Nutrition Services Assistant II" Job Description, as presented. Motion unanimously carried.

17. NEW BOARD POLICY, #4216.3-21.8 "NUTRITION SERVICES ASSISTANT III" JOB DESCRIPTION

It was moved by Ms. Hergesheimer, seconded by Ms. Herman, to approve the New Board Policy Proposal, #4216.3-21.8, "Nutrition Services Assistant III" Job Description, as presented. Motion unanimously carried.

18. ADOPTION OF RESOLUTION / STATUTORY FEE INCREASE / WITH AND WITHOUT URGENCY

A. PUBLIC HEARING – Public hearing opened for comments; no comments presented; hearing closed.

B. ADOPTION OF RESOLUTION

It was moved by Ms. Groth, seconded by Ms. Herman, to adopt two resolutions levying fees on development projects, 1) without urgency (becomes effective in 60 days), and 2) with urgency (30-day maximum with a renewal to be presented to the Board on March 15, 2012), as presented. Roll call: Roll call: Motion unanimously carried.

INFORMATION ITEMS..... (ITEMS 19 - 28)

19. PROPOSED 2012 LEASE REVENUE BONDS / TORREY PINES HS PROJECTS

This item was presented for review and information, and will be resubmitted for board action at a future board meeting.

20. CSBA DELEGATE ASSEMBLY ELECTIONS, 2012, (9 VACANCIES), AS SHOWN IN THE ATTACHED SUPPLEMENT(S).

This item was presented for first read and will be submitted for board action on March 1, 2012.

21. BUSINESS SERVICES UPDATE ERIC DILL, ASSOCIATE SUPERINTENDENT
Mr. Dill mentioned to the Board that if they should have any further questions/ideas regarding the budget update, to please contact him.

22. HUMAN RESOURCES UPDATE TERRY KING, ASSOCIATE SUPERINTENDENT
No report presented.

23. EDUCATIONAL SERVICES UPDATE RICK SCHMITT, ASSOCIATE SUPERINTENDENT
Mr. Schmitt distributed information on a Washington Post High School Rankings of our district high schools (see attached handouts).

24. PUBLIC COMMENTS – No further comments presented

25. FUTURE AGENDA ITEMS - None discussed.

26. ADJOURNMENT TO CLOSED SESSION – Not required.

27. CLOSED SESSION – Nothing further to report out of closed session.

28. ADJOURNMENT OF MEETING - Meeting adjourned at 7:44 PM.

Amy Herman, Board Clerk

____ / ____ / 2012
Date

Ken Noah, Superintendent

____ / ____ / 2012
Date

**2011-12 SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
 WASHINGTON POST HIGH SCHOOL RANKINGS**

Item	Canyon Crest Academy	La Costa Canyon High School	San Dieguito Academy	Torrey Pines High School
Seniors Graduated	403	571	330	645
Total AP Tests	1793	1519	951	2452
Percent Free & Reduced Lunch	2%	8%	9%	5%
"Equity in Excellence" Percentage	64%	50%	57%	68%
Percent Passing AP Scores	88%	70%	73%	84%
2011 Average SAT Score	1789	1676	1728	1829
2011 Average ACT Score	26	25	26	26
School Website	http://www2.sduhsd.net/cc/	http://lc.sduhsd.net/	http://www.sduhsd.net/sd/	http://www.sduhsd.net/tp/
Ethnicity				
Caucasian/white	81%	79%	75%	59%
Hispanic/Latino	8%	13%	14%	12%
African-American/black	1%	2%	2%	1%
Asian/Pacific Islander	10%	6%	9%	28%
Native American	0%	1%	0%	0%
Multi-ethnic	0%	0%	0%	0%
2011 Student Enrollment	1839	2295	1584	2686
4 Year Graduation Rate	99.3%	94.6%	99.7%	97.8%
Percent in 4 Year Colleges (from 2011 Senior survey)	75%	69%	71%	87%
Reported by Special Ed	9%	10%	8%	9%
Percent of graduating class taking SAT/ACT	73%	77%	65%	75%
Principal Years of Experience	21	20	10	19
Student Teacher Ratio	26:1	27:1	26:1	28:1
Charter School	No	No	No	No
Met AYP	Yes	No	No	Yes
Grading System	A-F	A-F	A-F	A-F
Block Schedule	Yes	No	Yes	No
Magnet School	No	No	No	No
Percent ESL	2%	9%	8%	8%
Age of School	8	15	75	37
Allow Dual Enrollment	Yes	Yes	Yes	Yes
Mascot	Raven	Maverick	Mustang	Falcon
Colors	Red and Black	Green and Gold	Navy Blue and White	Cardinal and Gold
Special Enrollment Policy	No	No	No	No

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 22, 2012

BOARD MEETING DATE: March 1, 2012

**PREPARED AND
SUBMITTED BY:** Ken Noah, Superintendent

SUBJECT: ACCEPTANCE OF GIFTS AND DONATIONS

.....

EXECUTIVE SUMMARY

The district administration is requesting acceptance of gifts and donations to the district as shown on the following report.

RECOMMENDATION:

The administration recommends that the Board accept the gifts and donations to the district as shown on the following report.

FUNDING SOURCE:

Not applicable

KN/bb

GIFTS AND DONATIONS
SDUHSD BOARD MEETING
March 1, 2012

Item #	Donation	Description	Donor	Department	School Site
1	500.00*	Concert Snare Drum Set	Grady Floyd and Patricia Floyd	Music	SDA
2	750.00*	Fitness Matts	Grady Floyd and Patricia Floyd	Physical Education	SDA
3	\$ 2,000.00	Student Training in Business Practices	UCLA-Sage-Mitsubishi Electric Am. Fell Proj.	Business	SDA
4	\$ 1,776.94	For Theater Technician - Metamorphoses	San Dieguito Academy Foundation	Theater	SDA
5	\$ 970.00	Misc. donations	San Dieguito Academy Foundation	Various	SDA
6	\$ 20.00	For Science Supplies	Joseph John and Jennifer Reges	Science	EWMS
7	\$ 25.00	Misc. Music Program Supplies	Addis Adele McGrew	Music	EWMS
8	\$ 100.00	Misc. Music Program Supplies	Neville Billimoria/Barbara Sedgwick-Billimoria	Music	EWMS
9	\$ 25,000.00	Computers in Lab	Earl Warren Middle School PTSA	Misc.	EWMS
10	\$ 5,000.00	Coaching	CVMS Music Boosters, Inc.	Misc.	CVMS
11	\$ 13,318.74	Computers and Document Cameras	La Costa Canyon High School Foundation	Misc.	LCC
12	\$ 19,500.00	Misc. donations	Oak Crest Foundation, Inc.	Misc.	OCMS
13					
14					
15					
16					
17					
18					
19					
20					
	\$ 67,710.68	Monetary Donations			
	\$ 1,250.00	*Value of Donated Items			
	\$ 68,960.68	TOTAL VALUE			

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 22, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Rick Schmitt, Associate Superintendent
Educational Services

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: APPROVAL / RATIFICATION OF
FIELD TRIPS

.....

EXECUTIVE SUMMARY

The district administration is requesting approval / ratification of out-of-state, overnight, and/or out-of-county field trips, as shown on the following report.

RECOMMENDATION:

The administration recommends that the Board approve / ratify the field trips, as shown on the following report.

FUNDING SOURCE:

As listed on the attached supplement.

RS/lr

FIELD TRIP REQUESTS
SDUHSD BOARD MEETING
MARCH 1, 2012

Item #	Date	Sponsor, Last Name	First Name	School Team/Club	Total # Students	Total # Chaperones	Event Description / Name of Conference	City	State	Loss of Class Time	\$ Cost
1	5/25/12	McCarty	James Brett	EW Band	47	5	Band Festival & Disneyland Trip	Anaheim	CA	1	(Parent Donations)
2	3/2/12	Cusey	Lynn	CCA Fashion Design Students	19	1	Fashion Institute of Design and Merchandising	Los Angeles	CA	1	None
3	3/17/12	Rector	Casey	LCC Girls Lacrosse	45	4	Lacrosse Tournament	Irvine	CA	0	\$800 (Parent Donations)
4	3/16/12	Monahan	Lauren	LCC Fashion Union Club	14	1	Fashion Institute of Design and Merchandising trip	Los Angeles	CA	1	\$17 per student (Parent Donations)

* Dollar amounts are listed only when District/site funds are being spent.
Other activities are paid for by student fees or ASB funds.

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 21, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Terry King
Associate Superintendent/Human Resources

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL OF CERTIFICATED and
CLASSIFIED PERSONNEL

EXECUTIVE SUMMARY

Please find the following Personnel actions attached for Board Approval:

Certificated

Status Change
Release/Nonreelection of Temporary Certificated Employees
Nonreelection of a Certificated Administrative Employee
Release/Reassignment of Two Certificated Administrative Employees
Resignation

Classified

Employment
Resignation

RECOMMENDATION:

It is recommended that the Board approve the attached Personnel actions.

FUNDING SOURCE:

General Fund

PERSONNEL LIST

CERTIFICATED PERSONNEL

Status Change

1. **Rayna Stohl**, Teacher (PE/dance) at Canyon Crest Academy, employment status change from Temporary to 1st Year Probationary in the 2011-12 school year, effective 3/01/12.

Approval to Distribute Written Notices of Release/Nonreelection of Employment for the 2012-13 school year to all Temporary Certificated Employees

Approval of Resolution Regarding Non-Reelection of a Certificated Administrative Employee

Approval of Resolution Regarding Release/Reassignment of Two Certificated Administrative Employees

Resignation

1. **Linda Huston**, Teacher (English) at Diegueno Middle School, resignation for retirement purposes, effective 6/15/12.

PERSONNEL LIST

CLASSIFIED PERSONNEL

Employment

1. **DeCarlo, Toni**, Administrative Assistant, Adult School, SR42, 100% FTE, effective 3/05/12
2. **Jenkins, Kristen**, Receptionist, Torrey Pines HS SR32, 100% FTE, effective 3/02/12
3. **Miranda, Daniel**, School Bus Driver, SR38, 50% FTE, effective 2/23/12

Resignation

1. **Molina, Robert**, Instructional Assistant SpEd SH, San Dieguito Academy, resignation effective 2/16/12

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 15, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Bruce Cochrane, Executive Director,
Pupil Services
Rick Schmitt, Associate Superintendent,
Educational Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF AGREEMENTS

EXECUTIVE SUMMARY

The attached Pupil Services Agreements report summarizes two agreements.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts as shown on the attached Pupil Services Agreements report.

FUNDING SOURCE:

As noted on the attached report.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT BOARD MEETING

ITEM 14A

PUPIL SERVICES AGREEMENTS

DATE: 03-01-12

<u>Contract Effective Dates</u>	<u>Contractor/Vendor</u>	<u>Description of Services</u>	<u>School/Department Budget</u>	<u>Fee Not to Exceed</u>
01/15/12 – 06/30/12	Encinitas Learning Center, NPS	Speech/Language Development and Remediation	General Fund/ Restricted 06-00	\$1,294.00/ Evaluation
02/01/12 – 06/30/12	Alternative Learning Strategy Center, NPA	Behavior Intervention	General Fund/ Restricted 06-00	\$125.00/Hour

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 22, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Christina M. Bennett, Director of Purchasing/Risk Mgt
Eric R. Dill, Associate Superintendent/Business

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
PROFESSIONAL SERVICES CONTRACTS/
BUSINESS

EXECUTIVE SUMMARY

The attached Professional Services Report/Business summarizes three contracts.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the contracts, as shown in the attached Professional Services Report.

FUNDING SOURCE:

As noted on attached report.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BUSINESS - PROFESSIONAL SERVICES REPORT

Date: 03-01-12

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
03/01/12 – 05/30/12	Laura Siem	To conduct dance workshops and create choreography for student dancers at La Costa Canyon High School	La Costa Canyon High School Associated Student Body	\$800.00
03/01/12 – 05/30/12	Emmi Bissell	To conduct dance workshops and create choreography for student dancers at La Costa Canyon High School	La Costa Canyon High School Associated Student Body	\$350.00
06/13/12 – 06/15/12	Morningstar Productions, LLC	To provide sound and stage equipment and services for Canyon Crest Academy graduation	General Fund 03-00 and reimbursed by the Canyon Crest Academy Foundation	\$9,662.73

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 22, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Christina M. Bennett, Director of Purchasing/Risk Mgt
Eric R. Dill, Associate Superintendent/Business

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVAL/RATIFICATION OF
AMENDMENTS TO AGREEMENTS

EXECUTIVE SUMMARY

The attached Amendment to Agreements Report summarizes one amendment to agreements.

RECOMMENDATION:

The administration recommends that the Board approve and/or ratify the amendment to agreements, as shown in the attached Amendment Report.

FUNDING SOURCE:

As noted on attached list

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

AMENDMENT TO AGREEMENTS REPORT

Date: 03-01-12

<u>Contract Effective Dates</u>	<u>Consultant/ Vendor</u>	<u>Description of Services</u>	<u>School/ Department Budget</u>	<u>Fee Not to Exceed</u>
04/01/12 – 03/31/13	La Costa Valley Homeowners Association	Extending the license to use facilities for school bus off-loading and loading of students for access to the pedestrian bridge for an additional one-year period	General Fund 03-00	\$100.00 per year

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 22, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Eric R. Dill
Associate Superintendent, Business

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: APPROVAL OF BUSINESS REPORTS

EXECUTIVE SUMMARY

Please find the following business reports submitted for your approval:

- a) Purchase Orders
- b) Membership Listings (None Submitted)

RECOMMENDATION:

It is recommended that the Board approve the following business reports: a) Purchase Orders, and b) Membership Listings (None Submitted).

FUNDING SOURCE:

Not applicable

js
Attachments

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 02/07/12 THRU 02/20/12

ITEM 15E

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
221863	02/07/12	03	AMAZON.COM	013	MATERIALS AND SUPPLI	\$115.55
221864	02/07/12	03	JSTOR, ITHAKA HARBOR	005	COMPUTER LICENSING	\$2,000.00
221865	02/07/12	06	VON'S GROCERY COMPAN	013	MATERIALS AND SUPPLI	\$1,300.00
221866	02/07/12	06	SMART AND FINAL CORP	013	MATERIALS AND SUPPLI	\$3,200.00
221867	02/07/12	03	SCANTRON CORPORATION	012	MATERIALS AND SUPPLI	\$545.41
221868	02/07/12	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$30.44
221869	02/07/12	06	AREY JONES EDUCATION	035	NON-CAPITALIZED TECH	\$48,303.32
221870	02/08/12	06	SANTOURIAN, LEAH AND	030	MEDIATION SETTLEMENT	\$40,595.40
221871	02/08/12	03	MISSION FEDERAL CRED	013	MATERIALS AND SUPPLI	\$93.90
221872	02/08/12	03	APPLE COMPUTER INC	013	NON-CAPITALIZED TECH	\$3,146.30
221873	02/08/12	06	BILINGUAL DICTIONARI	024	MATERIALS AND SUPPLI	\$93.96
221874	02/08/12	06	BILINGUAL DICTIONARI	012	MATERIALS AND SUPPLI	\$1,299.02
221875	02/08/12	06	BILINGUAL DICTIONARI	005	MATERIALS AND SUPPLI	\$1,080.59
221876	02/08/12	03	ASCA PUBLICATIONS	013	MATERIALS AND SUPPLI	\$141.06
221877	02/08/12	03	A C T	024	MATERIALS AND SUPPLI	\$250.00
221878	02/08/12	03	L B CONCRETE	025	REPAIRS BY VENDORS	\$1,510.00
221879	02/08/12	11	AMERICAN CHEMICAL &	009	MATERIALS AND SUPPLI	\$42.39
221880	02/08/12	06	B&H PHOTO-VIDEO-PRO	008	NON-CAPITALIZED TECH	\$791.91
221881	02/08/12	03	WELBURN GOURD FARM	004	MATERIALS AND SUPPLI	\$265.88
221882	02/08/12	03	BLICK, DICK (DICK BL	004	MATERIALS AND SUPPLI	\$299.98
221883	02/08/12	03	MISSION FEDERAL CRED	004	MATERIALS AND SUPPLI	\$295.10
221884	02/08/12	03	SAROYAN LUMBER	013	MATERIALS AND SUPPLI	\$2,000.00
221885	02/08/12	67-30	DYBECK, STEFANY	037	OTHER INSURANCE	\$241.31
221886	02/08/12	06	NATL GEOGRAPHIC SCHO	013	MATERIALS AND SUPPLI	\$291.78
221887	02/08/12	03	ONE STOP TONER AND I	013	MATERIALS AND SUPPLI	\$145.42
221888	02/08/12	03	BIO RAD LABORATORIES	013	MATERIALS AND SUPPLI	\$287.14
221889	02/08/12	03	SARGENT WELCH SCIENT	013	MATERIALS AND SUPPLI	\$479.65
221890	02/08/12	03	AMAZON.COM	004	MATERIALS AND SUPPLI	\$84.80
221891	02/08/12	06	WESTERN MECHANICAL	030	REPAIRS BY VENDORS	\$600.00
221892	02/09/12	03	ROMAN'S TRUCK BODY &	025	REPAIRS BY VENDORS	\$4,456.52
221893	02/09/12	03	SIMPLEX -GRINNELL L	025	REPAIRS BY VENDORS	\$3,388.32
221894	02/09/12	06	PACIFIC SALES	013	MATERIALS AND SUPPLI	\$407.07
221895	02/09/12	03	XEROX CORPORATION	021	RENTS & LEASES	\$1,376.86
221896	02/10/12	03	STAPLES ADVANTAGE	013	OFFICE SUPPLIES	\$57.11
221897	02/10/12	03	ONE STOP TONER AND I	003	DUPLICATING SUPPLIES	\$118.50
221898	02/10/12	03	ONE STOP TONER AND I	012	MATERIALS AND SUPPLI	\$148.66
221899	02/10/12	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$61.59
221900	02/10/12	03	ONE STOP TONER AND I	005	MATERIALS AND SUPPLI	\$123.90
221901	02/10/12	03	SCHOLASTIC MAGAZINES	012	MATERIALS AND SUPPLI	\$169.33
221903	02/13/12	03	STAPLES ADVANTAGE	004	MATERIALS AND SUPPLI	\$323.20
221904	02/13/12	03	SCANTRON CORPORATION	004	MATERIALS AND SUPPLI	\$564.73
221905	02/13/12	03	LAB AIDS	012	MATERIALS AND SUPPLI	\$228.79
221906	02/13/12	03	SAN DIEGO POSTAL	037	OTHER SERV. & OPER.EX	\$3,835.00
221907	02/13/12	03	AMERICAN MUSICAL SUP	004	MATERIALS AND SUPPLI	\$269.35
221908	02/13/12	03	TOMARK SPORTS	025	REPAIRS BY VENDORS	\$1,749.34
221909	02/13/12	03	ROYAL BUSINESS GROUP	005	MATERIALS AND SUPPLI	\$16.16
221910	02/13/12	03	OFFICE DEPOT	004	MATERIALS AND SUPPLI	\$123.14
221911	02/13/12	03	DATEL SYSTEMS INC	004	MATERIALS AND SUPPLI	\$108.28
221913	02/13/12	03	GOPHER SPORT	004	MATERIALS AND SUPPLI	\$91.33
221914	02/13/12	03	A B C SCHOOL EQUIPME	004	MATERIALS AND SUPPLI	\$226.28
221915	02/13/12	03	AMAZON.COM	001	MATERIALS AND SUPPLI	\$907.68
221916	02/14/12	03	SCHOOL SPACE SOLUTIO	013	MATERIALS AND SUPPLI	\$2,465.32
221918	02/14/12	06	NAPA AUTO PARTS	028	MATERIALS-VEHICLE PA	\$2,327.83
221919	02/14/12	03	CARMEL VALLEY POOL/R	012	RENTS & LEASES	\$1,795.50
221920	02/14/12	06	SAN DIEGUITO ALLIANC	030	PROF/CONSULT./OPER E	\$10,600.00

PO/BOARD/REPORT

SAN DIEGUITO UNION HIGH
FROM 02/07/12 THRU 02/20/12

ITEM 15E

PO NBR	DATE	FUND	VENDOR	LOC	DESCRIPTION	AMOUNT
221921	02/14/12	06	AL-SHAMMA, MARIA	030	PAY IN LIEU OF TRANS	\$7,100.00
221922	02/14/12	06	BERRONG, DAVID &/OR	030	OTHER SERV.& OPER.EX	\$250.00
221923	02/14/12	03	STATE OF CA-EMPLOY D	022	UNEMPLOYMENT INS, CE	\$4,590.00
221924	02/14/12	06	WESTERN MECHANICAL	030	REPAIRS BY VENDORS	\$1,077.50
221925	02/14/12	03	SUPPLY MASTER INC	005	MATERIALS AND SUPPLI	\$966.30
221926	02/15/12	03	AREY JONES EDUCATION	004	MATERIALS AND SUPPLI	\$16,551.91
221927	02/15/12	06	XEROX CORPORATION	030	RENTS & LEASES	\$906.28
221928	02/15/12	03	OFFICE DEPOT	005	MATERIALS AND SUPPLI	\$14.18
221929	02/15/12	06	BEST BUY GOVT AND ED	005	MATERIALS AND SUPPLI	\$77.58
221930	02/15/12	03	TURFSTAR INC	025	REPAIRS BY VENDORS	\$1,649.07
221931	02/15/12	03	AMAZON.COM	012	MATERIALS AND SUPPLI	\$229.93
221932	02/15/12	03	B&H PHOTO-VIDEO-PRO	005	MATERIALS AND SUPPLI	\$788.07
221933	02/15/12	06	AMAZON.COM	030	MATERIALS AND SUPPLI	\$88.01
221934	02/15/12	03	ONE STOP TONER AND I	003	DUPLICATING SUPPLIES	\$53.86
221935	02/16/12	06	AMAZON.COM	005	MATERIALS AND SUPPLI	\$605.01
221936	02/16/12	06	PEARSON & AGS ASSESS	030	MATERIALS AND SUPPLI	\$88.35
221937	02/16/12	06	PEDRO'S UPHOLSTERY	028	REPAIRS-VEHICLES	\$275.00
221938	02/16/12	06	DION INTERNATIONAL	028	REPAIRS-VEHICLES	\$2,795.58
221939	02/16/12	06	INSPIRATION SOFTWARE	030	COMPUTER LICENSING	\$251.05
720021	02/16/12	03	AFFORDABLE PRINTER C	035	REPAIRS BY VENDORS	\$332.83
820031	02/08/12	03	C A S H	022	CONFERENCE,WORKSHOP,	\$790.00
REPORT TOTAL						\$184,950.61

Individual Membership Listings
For the Period of February 7, 2012 through February 20, 2012

<u>Staff Member Name</u>	<u>Organization Name</u>	<u>Amount</u>
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None to report

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 24, 2012

BOARD MEETING DATE: March 1, 2012

**PREPARED AND
SUBMITTED BY:** Ken Noah
Superintendent

SUBJECT: CALIFORNIA SCHOOL BOARDS
ASSOCIATION, DELEGATE ASSEMBLY
ELECTIONS, 2012

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EXECUTIVE SUMMARY

Attached is the ballot material for election of representatives to the California School Boards Association (CSBA) Delegate Assembly from this region. The Board as a whole may vote for up to the number of vacancies in the region or subregion as indicated on the ballot. There are nine vacancies in Region 17; therefore the Board may vote for up to nine candidates. The deadline for submitting ballots is March 15, 2012.

RECOMMENDATION:

It is recommended that the Board vote for up to nine candidates to represent Region 17 of the CSBA Delegate Assembly, 2012.

FUNDING SOURCE:

Not applicable

KN/bb

California School Boards Association

TIME SENSITIVE, REQUIRES BOARD ACTION
DEADLINE Thursday, March 15, 2012

January 31, 2012



TRANSMITTAL

TO: All Board Presidents and Superintendents
CSBA Member Boards of Education

FROM: Michelle Neto, Administrative Assistant

SUBJECT: 2012 CSBA Delegate Assembly Election
U.S. Postmark Deadline – Thursday, March 15, 2012

Enclosed in this mailing you will find the following:

- Memo from CSBA President Jill Wynns
- Return envelope U.S. Postmark Deadline – Thursday, March 15, 2012
- Red ballot to be signed by Superintendent/clerk
- List of the current Delegates in your region (reverse side of ballot)
- Copy on white paper of the red ballot for insertion in board packets
- Copies of each candidates' biographical sketch and optional résumé, if provided

Please do not hesitate to contact me at (800) 266-3382 should you have any questions.

Thank you.

Enclosures

3100 Beacon Boulevard
P.O. Box 1660
West Sacramento, CA 95691
(916) 371-4691 | FAX (916) 371-3407

RECEIVED

FEB 06 2012

SDUHSD SUPERINTENDENT

California School Boards Association

**TIME SENSITIVE, REQUIRES BOARD ACTION
DEADLINE THURSDAY, MARCH 15, 2012**

January 31, 2012

MEMORANDUM

TO: All Board Presidents and Superintendents
CSBA Member Boards of Education

FROM: Jill Wynns, President

SUBJECT: 2012 CSBA Delegate Assembly Election
U. S. Postmark Deadline – Thursday, March 15, 2012



Enclosed is the ballot material for election of a representative to the CSBA Delegate Assembly from your region or subregion. The material consists of the ballot (on red paper), required candidate biographical sketch form, and if submitted, résumé for each candidate. In addition, we are including a “copy” of the ballot on white paper so that it may be included in board agenda packets, if you choose to do so. **Only the ballot on red paper is to be completed and returned.**

The board as a whole may vote for up to the number of vacancies in the region or subregion as indicated on the ballot. For example, if there are three vacancies in the region or subregion, the board may vote for up to three individuals. Regardless of the number of vacancies, each board may cast no more than one vote for any one candidate. (The ballot also contains a provision for write-in candidates; their name and district must be clearly printed in the space provided.)

The ballot must be signed by the Superintendent or board clerk and returned in the enclosed envelope; if the envelope is misplaced, you may use your district’s stationery; please write **DELEGATE ELECTION** prominently on the envelope with the region or subregion number on the bottom left corner. **Ballots must be postmarked by the U.S. Post Office on or before Thursday, March 15. No exceptions are allowed.**

Election results will be available no later than Monday, April 2. If there is a tie vote, a run-off election will be held. All re-elected and newly elected Delegates will serve two-year terms beginning April 1, 2012 – March 31, 2014. The next meeting of the Delegate Assembly is on Saturday, May 19 – Sunday, May 20 at the Hyatt Regency in Sacramento.

The names of all Delegates will be available on CSBA’s website no later than Monday, April 2. Please do not hesitate to contact Michelle Neto in the Administration department at (800) 266-3382 should you have any questions. Thank you.

3100 Beacon Boulevard
P.O. Box 1660
West Sacramento, CA 95691
(916) 371-4691 | FAX (916) 371-3407

ITEM 75



**BALLOTS SHOULD BE RETURNED IN THE ENCLOSED
ENVELOPE; HOWEVER, SHOULD THE ENVELOPE
BECOME MISPLACED, PLEASE USE YOUR
STATIONERY AND RETURN TO:**

**CSBA
DELEGATE ASSEMBLY ELECTIONS
P.O. BOX 1660
WEST SACRAMENTO, CA 95691**

**ON THE BOTTOM LEFT CORNER OF THE ENVELOPE,
PLEASE FILL IN YOUR REGION OR SUBREGION
NUMBER (THIS NUMBER APPEARS ON THE
BALLOT).**

This complete, **ORIGINAL** Ballot must be **SIGNED** by the Superintendent or Board Clerk and returned in the enclosed envelope postmarked by the post office No Later Than **THURSDAY, MARCH 15, 2012**. Only ONE Ballot per Board. Be sure to mark your vote "X" in the box.
A PARTIAL, UNSIGNED, PHOTOCOPIED, OR LATE BALLOT WILL NOT BE VALID.

OFFICIAL 2012 DELEGATE ASSEMBLY BALLOT
REGION 17
(San Diego County)

Number of vacancies: 9 (Vote for no more than 9 candidates)

Delegates will serve two-year terms beginning April 1, 2012 – March 31, 2014

**denotes incumbent*

- | | |
|---|---|
| <input type="checkbox"/> Comischell Bradley-Rodriguez (Del Mar Union SD)* | <input type="checkbox"/> Raqual Marquez Maden (San Ysidro ESD)* |
| <input type="checkbox"/> Katie Dexter (Lemon Grove SD)* | <input type="checkbox"/> Dawn Perfect (Ramona USD) |
| <input type="checkbox"/> James Grier, Jr. (National SD)* | <input type="checkbox"/> Jay Petrek (San Marcos USD) |
| <input type="checkbox"/> Barbara Groth (San Dieguito Union HSD)* | <input type="checkbox"/> Anne Renshaw (Fallbrook Union ESD)* |
| <input type="checkbox"/> Steve Lilly (Vista USD)* | <input type="checkbox"/> Richard C. Smith (Bonsall Union SD) |
| <input type="checkbox"/> Dan Lopez (Ramona USD)* | |

Provision for Write-in Candidate Name

School District

Provision for Write-in Candidate Name

School District

Signature of Superintendent or Board Clerk

Title

School District/COE Name

Date of Board Action

See reverse side for a current list of all Delegates in your Region.



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this required candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will not be accepted.

Name: <u>Comischell Bradley-Rodriguez</u>	CSBA Region/Subregion: <u>17</u> / <u>SD</u>
District or COE: <u>Del Mar Union</u>	Years on board: <u>3</u> ADA: <u>4,400</u>
Contact Number: <u>858-205-3113</u>	E-mail: <u>crodriguez@dmusd.org</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>1 year</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

My top three educational priorities are:

- 1) Continue the discussion of what a free and public education looks like for our students
- 2) Further define the role and responsibilities that Local, State, and National government plays in public education
- 3) Support and participate in efforts to promote and sustain a 21st Century public education of the whole child that includes innovative and creative applications of art, music, technology, and science

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

As a member of our Board of Trustees, I am involved in a number of activities and discussions regarding district specific interests that include:

- 1) Financial support from outside agencies/parents and the role each play in supporting the District's responsibility to educate our students.
- 2) Setting direction, goals, and strategic management policies that have long lasting benefits for our district
- 3) Implementing the 21st Century Learning model in our schools.
- 4) General Communication policies and procedures.
- 5) The acquisition, maintenance, and fiscally responsible use of facilities.
- 6) Consistent revision and over-sight of district budget.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

As a member of the Delegate Assembly, I will continue to embrace public education with careful consideration. With many ideas and organizations circling our community to propose new ideas and laws, it is important - now more than ever to keep a keen eye on the implications that change will bring to our students.

I believe that in the midst of financial pressure and competing public interests our children should not suffer a watered down education and I am prepared to lobby our lawmakers on behalf of our children's educational rights - defending what works and supporting change that will benefit our system long-term.

Pointing fingers is NOT the answer to solving our financial problems. Our student's success will depend on thoughtful collaboration from all educational stakeholders, and I will seek to promote that collaboration within the scope of my experience as a parent, business professional, and community leader.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature:  Date: 1-6-12



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Katie Dexter</u>	CSBA Region/Subregion: <u>17</u> / _____
District or COE: <u>Lemon Grove School District</u>	Years on board: <u>9</u> ADA: <u>3729</u>
Contact Number: <u>619-463-1395</u>	E-mail: <u>kdexter@lgsd.k12.ca.us</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>2 yrs.8 mos.</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

Improving the quality of education in our state by better engaging all children in their learning: The Achievement Gap is the result of an "engagement gap." By focusing on teacher quality, professional development, and new technologies, we can better engage students in their own learning. Combining evidence-based curriculum and strategies with universal (anytime, anyplace) access to on-line resources and 21st Century Skills is one of the goals we should have for all California children.

Supporting a sane and sensible funding model for California schools: The entire educational community must work diligently to create a reliable and realistic funding model for California schools. This is an area for CSBA leadership. Working with coalition partners we must continue to focus on changing the unreliable and inadequate funding model currently in place. This is an issue of equity.

Focusing on health and wellness: We must address student health and wellness issues on two fronts. Our strongest tool in helping children make healthier choices is through integrating health education throughout the curriculum and providing school environments that encourage healthy decisions. Strong Board policies and practices that focus on physical activity, access to healthy foods, and support for students' families challenged by chronic and environmental health issues.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

- Past president of the Governing Board, PTA, and Music Parents Association.
- Committee participation includes School Site Council, District Wellness Committee, Negotiations Team, District Budget Advisory Committee, City-School District Collaboration Committee, District Music and Arts Committee, Extended Day Program Committee.
- Participation in Beyond Diversity training.
- I supported full-day kindergarten and Preschool For All within the district.
- I have attended state and local budget workshops and California Finance and Management Conferences.
- I have extensive community involvement.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

As a current CSBA Delegate Assembly member, I have become increasingly aware of the importance of our organization and its mission of advocating for children, public schools, and the school board governance model. I believe in the power of working together toward a common goal, whether it is a policy platform or a new initiative designed to improve the lives of California children. As a Masters in Governance graduate, I will bring an informed voice and focus to providing two-way communication between the CSBA and our local school boards.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: _____

Date: _____

1-5-12



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax – 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state “see résumé” and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>James Grier, Jr.</u>	CSBA Region/Subregion: <u>17</u> / _____
District or COE: <u>National School District</u>	Years on board: <u>11</u> ADA: <u>5764</u>
Contact Number: <u>619-977-9746</u>	E-mail: <u>jpgrier@sdcoe.k12.ca.us</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If you, how long have you served as a Delegate? <u>Nine Years</u>

CSBA’s Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

In my eleven-plus years on the Governing Board, I have been involved in the selection committees for the superintendent, assistant superintendent and principal searches. I have served as Governing Board President this past year. I have also served on our city’s Safe Routes to School Committee, and have been instrumental in the return of the Swim and Track Programs. I have attended many functions representing the National School District and Governing Board in the community, as well as having attended programs, assemblies, open houses and Parent Night at the school sites. Furthermore, I have visited each classroom in our school district a minimum of four times each year. As a retired teacher, I have always been committed to educating the whole child and promoting the arts across the curriculum. I presently serve on the National City Police Chief Advisory Committee, as well as chairperson on the National City Community Services (former Park and Recreation).

Another responsibility of Delegates is to communicate the interests of local boards to CSBA’s Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I am our Governing Board’s liaison to the Delegate Assembly where I have served several times on the validation committee for the Golden Bell Award. Also, I have participated as Principal for a Day for the Sweetwater Union High School District eleven years running. Moreover, as the Board President, I represented our district on the South County Region Committee with the challenge of developing a Common Calendar.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I have completed the Masters in Governance Program, as well as attended and participated in the annual conferences, which have strengthened my abilities and understanding of the role of a District and Delegate Assemblymember. I know that progress is best achieved through hard work and a clear perspective, based on balanced points of view and experiences. When re-elected I shall continue to serve the diverse population society in this region, as well as the State that advocates for this region.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: James Grier, Jr. Date: 11/10/11



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this required candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will not be accepted.

Name: <u>Barbara Groth</u>	CSBA Region/Subregion: <u>17</u> / _____
District or COE: <u>San Dieguito Union High School District (SDUHSD)</u>	Years on board: <u>13</u> ADA: <u>12,000</u>
Contact Number: <u>858.775.4645</u>	E-mail: <u>barbara.groth@sduhsd.net</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>9 years</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

1. Provide the best possible public education for every child in California so that he/she can reach their full potential as adults in an ever-changing world— whether he/she goes directly into the workforce or higher education. Upon graduating from high school, our students need to be prepared to take advantage of any and all options possible.
2. Provide the resources and support needed by school board members as they work to set policy in their districts. Board members should be able to rely on CSBA for up-to-date information, best practices and direction – everything they need to be effective board members.
3. Advocate for resources and common-sense educational policies at the state and federal levels that will allow board members to do the best job possible.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

As a parent and board member, I have had the privilege to serve on a variety of committees and task forces. The Rancho Santa Fe School District, these included being a school trustee and member of the Parent Teacher Organization board of directors. In the SDUHSD district, I have served on the Encinitas and Solana Beach City/School Liaison committees, SDUHSD Strategic Planning Team, SDUHSD Junior High Task Force, North Coastal Consortium for Special Education committee, SDUHSD Career Technology Education Task Force, the Legislative Action Network (as chairperson 2 years), and San Dieguito Academy Visual and Performing Arts Committee. At the county level, my activities include president and vice-president of the San Diego County School Boards Association (as chairperson for the annual "Honoring Our Own" dinner event 2 years), member of the SDCOE/County Mental Health Workgroup, and school board trustee representative to the San Diego County Achievement Gap task Force.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I believe that CSBA is an unique organization - its only "special interest" group is made up of elected school board members who, in turn, represent every public school student in California. CSBA is our non-partisan vehicle for advocating for the health, welfare and education of our children and a vital source of the data and information school board members need in order to do their job. CSBA needs to not only make its resources readily accessible to board members, but also continue to solicit feed-back and suggestions. Effective and knowledgeable board members are essential to our educational system. I have the time, energy and experience to be part of making CSBA the best resource possible for its members and hope to have the opportunity to work towards that goal.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: Barbara Groth Date: 1/4/2012



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: **wednesday, January 9, 2012** (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Steve Lilly</u>	CSBA Region/Subregion: <u>17</u> / <u> </u>
District or COE: <u>Vista Unified School District</u>	Years on board: <u>7</u> ADA: <u>23,000</u>
Contact Number: <u>760 726-2170 x2219</u>	E-mail: <u>stevelilly@cox.net</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If you, how long have you served as a Delegate: <u>4</u> years

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

As an elected Trustee, I have taken advantage of several professional development opportunities offered through CSBA. Since being elected to the CSBA Delegate Assembly, I have been an active participant in on-going meetings of the Region 17 Executive Committee/Delegate Assembly Members. Prior to my election as a Trustee, in my position as Dean of Education at Cal State San Marcos, I worked collaboratively with school board members from throughout San Diego County on school/university partnerships to benefit students. As a member of the CSBA Delegate Assembly, my primary focus remains on student learning and closing the achievement gap. We must address policy and funding issues that prevent us from making the dramatic strides needed in some of our schools. In addition to funding, though, we must seek clarity as to the proper and effective role of board members as agents for instructional accountability change in our schools.

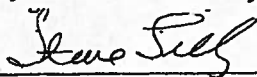
Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I have been actively involved with Vista Unified School District since 1990. From 1990 to 2004, I was Founding Dean of the College of Education at Cal State San Marcos, and in that position I worked closely with school districts throughout San Diego and Southwest Riverside Counties. Prior to being elected as a Trustee, I served Vista as a member of planning groups at both the school and district levels, and I was instrumental in ensuring that Vista was a "charter district" in both the Cal State San Marcos Distinguished Teacher in Residence Program and the North County Professional Development Federation. As a Board member I have worked to sharpen the Board goals so that they deal directly with issues pertaining to high levels of learning for all students, and to ensure that Board goals are reflected in reform efforts at the school level. Closing the achievement gap has been my primary objective as a Board member, and we have made dramatic progress in that regard over the last several years.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I have spent my life as an educator and as an advocate for education reform aimed at ensuring that all students reach their full potential in our schools. Closing the achievement gap for students of color, students from economically challenged families, students who are English learners, and students with disabilities has been my personal and professional passion for the past 40 years. I spent much of my career working in special education and advocating for students with disabilities to be accorded the dignity associated with high expectations and integrated learning environments. Since arriving in California in 1990, I have advocated for higher learning expectations and strong English language development programs for English learners. I have served on the California Commission on Teacher Credentialing and the Founding Board of the Center for the Future of Teaching and Learning as vehicles for pursuing state policy changes to increase student learning.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature:  Date: 12/5/11



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Dan Lopez, Ed.D.</u>	CSBA Region/Subregion: <u>17</u> / _____
District or COE: <u>San Diego - Ramona USD</u>	Years on board: <u>3</u> ADA: <u>6200</u>
Contact Number: <u>760.788.8725</u>	E-mail: <u>Dan@TurnAroundSchools.com</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>3</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

1. College and Career Readiness
2. School Finance
3. Equity in Education

It is our job as policy makers to ensure that these three items are at the forefront of all we do. As a delegate, I plan to continue to keep this items at the top of our list as we are one of the largest and most powerful advocates in California for students.

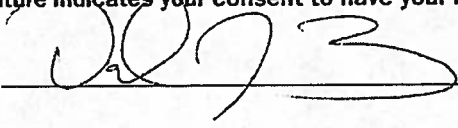
Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I plan to share and bring the perspective of an active school board member from a mid-size rural school district. My desire is to not only share of our challenges and needs but also bring back information in order to organize support for the mission of CSBA.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I wish to continue as a CSBA delegate in order to share my skills for the good of the organization. As an educator, business owner, adjunct education professor, and parent, I think I have a unique set of skills that will contribute to the group for the good of the organization.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature:  Date: 1/9/12



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted: both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Raquel Marquez Maden</u>	CSBA Region/Subregion: <u>17</u> / _____
District or COE: <u>San Ysidro</u>	Years on board: <u>7</u> ADA: <u>5500</u>
Contact Number: <u>619 841 4007</u>	E-mail: <u>raquelmarquez@msn.com</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>2.5 years</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association. My first priority would be to continue to educate our Sacramento Legislators as to issues that we feel are important at the local school level. I have been amazed in my experience about how many of our Assemblymen and State Senators are detached from the realities of running a school district.

Secondly, continuing to push for funding for our schools. My goal is to pressure our legislators on both a state and federal level to send funding alongside every piece of legislation that asks us to do more. I have faith in our administration, teachers and classified workers that they can solve everything that is thrown at them, if they are given the tools to solve the problems. Currently, that is not the case.

Thirdly, to continue to report to my fellow board members in surrounding districts who have elected me to represent them. CSBA gives great information, and I feel it is important as a Delegate Assembly rep to make sure all receive it.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I am a San Diego County School Boards Association Government Relations Chair. I interact with our local and state electeds to educate them on the issues we are facing at the local level.

I sit on the San Ysidro Chamber of Commerce's Education Committee.

I have attended every CSBA conference since elected, I have also a graduate of the CSBA's Masters in Governance program and encourage others to do the same.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

Continuing to offer my network of legislative relationships to the CSBA. As a former staffer to a now State Assemblyman, I understand the work both the electeds and their staff are doing, the challenges they are facing, and their needs when they are trying to make an informed decision on issues related to Education. I feel like I have made a difference for all students in my district, region 17 and all of California in my work on Delegate Assembly. We aren't always going to get everything we want, especially in this time of fiscal crisis, but fighting to win the little battles means that we can help our legislature remember how important K-12 education is to the future of our state and how essential it is to keep ourselves ahead of the world when it comes to competition in the marketplace.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: Date: 1-3-12



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>DAWN PERFECT</u>	CSBA Region/Subregion: <u>17</u> / <u> </u>
District or COE: <u>RAMONA UNIFIED</u>	Years on board: <u>3</u> ADA: <u>6300</u>
Contact Number: <u>760.788.1983</u>	E-mail: <u>dawnperfect@att.net</u>
Are you a continuing Delegate? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, how long have you served as a Delegate? <u> </u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

1. Serious involvement in examination of State education legislation and the impact of legislation on school districts throughout the State.
2. Advocate for solid, consistent funding for all public schools in the State.
3. Encourage innovation in educational programs. Changing technology requires ever-changing strategies from school leadership in how we teach and how students learn.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

CSBA Annual Education Conference - attendee 3 years.
 San Diego County Superintendent's Achievement Gap Conference- 2 years
 Governor's Budget Workshop presented by School Services of California- 3 years
 Grossmont/Cuyamaca College District Educational Master Plan participant
 District Budget Steering Committee, 7-11 Facilities Committee, School Site Council, PTSA & Booster Clubs
 ROP Community Advisory Panel

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

At this time, the policies of our State are largely directing how we educate students throughout the State. CSBA is one of the strongest tools our public education system has for providing input to our State legislators. With an informed and active membership, the needs of local school districts can be more powerfully voiced.

I look forward to the opportunity to represent and serve the school districts in California by active participation as a CSBA Delegate.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: *Dawn Perfect* Date: Jan. 9, 2012



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this required candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will not be accepted.

Name: <u>Jay Petrek</u>	CSBA Region/Subregion: <u>17</u> / <u> </u>
District or COE: <u>San Marcos Unified School District</u>	Years on board: <u>5+</u> ADA: <u>18,500</u>
Contact Number: <u>(760) 496-8614</u>	E-mail: <u>jay.petrek@smusd.org</u>
Are you a continuing Delegate? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, how long have you served as a Delegate? <u> </u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

1. Securing and assuring adequate funding to support educational legal mandates and community expectations.
2. Hiring, training and retaining excellent educators who utilize a collaborative approach, up-to-date technology, and innovative teaching techniques to reach every student.
3. Ensuring a balanced curriculum that is taught in a safe environment focused on closing the achievement gap and fully preparing students for their choice of a college/university education or vocational training.

Our ability to educate students hinges on decisions and fluctuating financial support from the state and federal levels of government, placing enormous pressure on our budgets. We have a responsibility to provide our students an academic environment that will afford them success in their future endeavors in an increasingly competitive world. I am committed to advocating for strong public schools with the financial support, curriculum, and staffing to best serve students' needs. Collectively CSBA can effectively communicate on behalf of our students to strengthen their opportunities for success.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I have served as President, Vice President and Clerk for the San Marcos Unified School District Board of Trustees. My particular interests involve curriculum and school construction/modernization.

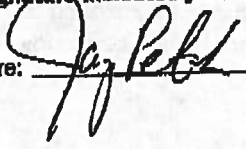
I've had the privilege and honor of serving on a variety of committees and programs supporting the community where I reside.

I am a recipient of CSBA's Honoring Our Own 'Parent Volunteer of the Year' award in recognition of my volunteer efforts in many programs associated with the San Marcos Unified School District.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I have attended every annual CSBA conference during my tenure as a trustee. I would like to become a member of the Delegate Assembly in order to participate in the educational process encompassing a broader governance perspective. In my professional career I work extensively with private- and public-sector developers in the building industry, as well as the California environmental review process that school districts must comply with, which are perspectives that I can also contribute as a Delegate Assembly member. I have learned from my experience as a parent, community volunteer, and school board member the importance of dedication, collaboration, fairness, teamwork, trust, and accountability. I recognize and value the partnerships between parents, teachers, students, and the community in educating children. An effective Delegate Assembly member represents the community at large in a fair and respectful manner. I know that a member must work hard to be informed about all issues affecting our educational system. While there are a variety of viewpoints that may exist, the focus should always be on what is best for students.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature:  Date: 1/3/12



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Anne Renshaw</u>	CSBA Region/Subregion: <u>17</u> / <u></u>
District or COE: <u>Fallbrook Union ESD</u>	Years on board: <u>17</u> ADA: <u>5400</u>
Contact Number: <u>760 728 3989</u>	E-mail: <u>renshawam@sdcoe.k12.ca.us</u>
Are you a continuing Delegate? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, how long have you served as a Delegate? <u>13 yrs.</u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

My number one educational priority is always the children of my district and the other districts of Region 17. I have seen a lot of changes in education. Some of them have been good, some bad. I would like to see us be able to get back to focusing on educating the children that come to us. We do this by getting rid of unnecessary and cumbersome regulating by legislation. Educational decisions should be made by the Board members elected locally. Our funding stream needs to be consistent and not have our state budget balanced on the backs of our children. I would like to see us encourage more parental involvement in their children's education. We sometimes need to help parents get the tools they need to help their children succeed. Lastly, since we are in a system that requires us to be regulated by the State Legislature, I will make contacting Legislators a priority, as I have in the past, to let them know the needs and impact that their actions have on the children of this state.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

Before becoming a board member, I served on many District committees including the budget committee, selecting a site for a new campus and designing that campus. I have also been on committees in our high school district. I have attended First Five meetings for FUESD which resulted in our applying for and receiving a grant to build a new early childhood education facility. I have been an advocate for fine arts education and technology. FUESD receives Impact Aid for our federally connected schools we have in our district. I have been an active participant in the National Association for Federally Impacted Schools conferences. I have traveled to Washington DC to lobby for these funds that impact the education of our military connected children.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

I have regularly lobbied in both Sacramento and Washington DC for the children of this state. With my experience, I feel I have a grasp of what can be done when the right formula is applied to educating our children. I have participated in CSBA for all of my 17 years on my Board. I also actively participate in the County Association and always try to make meaningful contributions to that body. Because I am a Delegate, I have had the opportunity to represent Region 17 on various CSBA committees and Task Forces. I have enjoyed all of the assignments and look forward to more service in the future. My service on these committees gives San Diego County a greater voice in the happenings and decisions made by CSBA. I think my favorite assignment is being a Golden Bell Validator and going to San Diego County Districts to see the award winning programs of other districts and be a part of recognizing them for their innovation and efforts. I have enjoyed serving as a Delegate and hope I can continue to do so.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: Anne Renshaw Date: 1/5/2012



2012 Delegate Assembly Candidate Biographical Sketch Form

Due: Monday, January 9, 2012 (U.S. Postmark or fax - 916.669.3305 or 916.371.3407)

Please complete, sign and date this **required** candidate biographical sketch form. An optional, one-page, single-sided, résumé may also be submitted; both will be copied exactly as received. Please do not state "see résumé" and please do not re-type this form. Any additional page(s) exceeding this candidate form will **not** be accepted.

Name: <u>Richard C. Smith, Ed.D.</u>	CSBA Region/Subregion: <u>17</u> / <u> </u>
District or COE: <u>Bonsall Union School District</u>	Years on board: <u>1</u> ADA: <u>1804</u>
Contact Number: <u>760-420-8006</u>	E-mail: <u>mrrp@me.com</u>
Are you a continuing Delegate? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, how long have you served as a Delegate? <u> </u>

CSBA's Delegate Assembly sets the general education policy direction for the Association. As a member of the Delegate Assembly, please describe what your top three educational priorities would be, and why they are important to the Association.

Most of my experience in education focused on Career Technical Education issues. So, from my experience, developing a better educated work force is number one. This is crucial to California's and the nation's economy. Two, I would like to see more of every dollar spent on education go directly to the classroom. This, in turn, would help drive my third concern, which is raising the bar on student performance. I would like to believe that my concerns are on target for the success of California's schools and for the continued success for California's economy.

Another responsibility of Delegates is to communicate the interests of local boards to CSBA's Board of Directors, Executive Committee and staff. Please describe your activities/involvement or interests in your local district or county office.

I was employed by the San Diego County Office of Education for many years as a Senior Director. I have participated in numerous activities professionally and as a community member with SDCOE. I have extensive knowledge and experience in the workings and operation of SDCOE. Many of my former colleagues still are employees at SDCOE and I can quickly and efficiently communicate with SDCOE staff with concerns that San Diego County School Boards may have.

Why are you interested in becoming a Delegate and what contribution do you feel you would make as a member of the Delegate Assembly?

As a retired educator, I am interested in continuing to help San Diego County's students to have access to a relevant and rigorous curriculum. Also, I have experience in working with elected officials that represent us in Sacramento; I am confident that this experience would be beneficial as member of the delegate assembly. Working in San Diego County as an educator since 1975, I am confident that I would bring a wealth of knowledge to the organization.

Your signature indicates your consent to have your name placed on the ballot and to serve as a Delegate, if elected.

Signature: Richard C. Smith Date: 1-6-2012

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 10, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Delores Perley, Director of Financial Services
Eric R. Dill, Associate Supt., Business Svcs

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: APPROVE AND CERTIFY THE 2011-12
GENERAL FUND SECOND INTERIM
BUDGET

EXECUTIVE SUMMARY

The Second Interim Budget Report (as of January 31, 2012) for 2011-12 is submitted for approval as required by the California Education Code. This report reflects budget adjustments since the First Interim Report. Assumptions in the Multi-Year Projection are based on instructions from the San Diego County Office of Education (SDCOE) and the Governor's 2012-13 Proposed Budget.

Income is up by \$700,000 and expenditures are up by \$500,000 on a consolidated (unrestricted and restricted funds) basis. Changes to both income and expense are noted on the pages entitled "Summary of Changes." Highlights include:

- Decrease in IDEA Mental Health revenue
- Increase in Special Education Mental Health state revenue
- Increase in Economic Impact Aid
- Increase in ROP revenue
- Revenue from donations, and college testing was booked as it has been received
- Encroachment has been increased due to additional non-public school and agency costs, this has been partially offset by the decrease in encroachment due to the addition of mental health revenues
- Estimate for salary column increase removed as all costs are included
- Decrease in Instructional Aide Salary Expense
- Books & supply expenses have increased due to Donations received and additional ROP revenue used for computer replacement
- Services and operating expenses have increased to allow for additional non-public school and agency costs

ITEM 17

Included as back-up documentation for this agenda item are SACS (Standardized Account Code Structure) reports, as required by SDCOE. As part of the Notice of Criteria and Standards Review and Certification of Financial Condition, some standards are "Not Met." Each of these "Not Met" conditions are explained in the boxes provided on the following pages. Conditions which cause SDUHSD to not meet a standard include:

6A/6B Additional State revenue since First Interim has increased State revenue overall. Donation revenue received since First Interim has increased the local revenue and books and supplies budgets. Additionally, non-public school and agency services have increased the services and other operating expenditures.

MULTI-YEAR PROJECTION:

In light of the ongoing state fiscal crisis and uncertainties with the Governor's current proposal, conservative assumptions were used in the preparation of the multi-year projection (MYP). At the time of preparation, details were not available for several of the aspects of the Governor's proposed budget and were therefore not incorporated. As the legislature continues its hearings on the budget trailer bills and more information is made available, we will update the MYP. Major assumptions in the MYP include:

Revenue

- Increase in the Fair Share contribution for 2013-14 based on possibility of a \$370/ADA trigger cut in 2012-13 should the Governor's tax initiative fail
- Implementation of a new equalization plan for funding through the SELPA increasing revenue and reducing encroachment
- Elimination of Transportation funding for 2012-13 and beyond, including bus pass revenue
- Reduction in encroachment from home-to-school transportation
- Reduction in special education encroachment as non-public school alternative program is phased in

Expenditures

- Targeted reduction levels discussed at February 16, 2012 Budget Workshop incorporated
- Home-to-school transportation budgets reduced based on Governor's initial proposal to eliminate all transportation funding. These reductions are still under consideration, and other reductions may be implemented if transportation service is not altered.

Subsequent to preparation of the MYP, budget trailer bills were introduced to the legislature to implement the Governor's proposals. Details on how certain aspects of his plan will be enacted are still emerging and the legislature has only begun to hold hearings on the bills. The MYP was not revised for Second Interim as there was simply not enough time or information to conduct a critical analysis on the effects of the bills.

ITEM 17

Furthermore, it is likely that some of the Governor’s proposals will be amended or will not survive before he releases his May revision.

We are particularly interested in how the proposed Weighted Student Formula will affect Basic Aid districts. The current bill will radically alter how school districts are funded on a per-pupil basis as a new funding method is phased in over six years that entitles each district to a base grant for every student and then a supplemental grant for students who are English learners or who qualify for free & reduced meals.

Transportation funding for 2012-13 was restored in the trailer bill for 2012-13 only but it is connected to implementation of the Weighted Student Formula now and funding is made flexible to be used for any educational purpose.

With revolutionary changes to the per pupil funding model being phased in, we are uncertain how the Fair Share Contribution will be affected in subsequent years. We hope to have more information by Spring Revision. As of now, the formula remains in place in the MYP, with the \$370/ADA trigger cut recognized should the Governor’s tax initiative fail to make the ballot or at the polls.

Staff is analyzing the conditions in the state’s education funding, property tax projections, and other revenue streams for both the current year and for budget year 2012-13. It is likely that our assumptions will change by the time the Board of Trustees reviews Spring Revision and the 2012-13 Proposed Budget. Administration must work toward reducing the deficit between income and expenditures, particularly as reserves are being spent down.

At this point in the budget cycle, the District is able to meet its 3% Unrestricted General Fund reserve requirement in the Multi-Year Projection. It is important to note that absent the implementation of expenditure reductions and revenue enhancements presented to the Board at the February 16th Budget Workshop, the District would not be able to meet the state’s reserve requirement in the Unrestricted General Fund. Staff is working on plans to accomplish these reductions in order to preserve the District’s positive budget certification for the current and subsequent years.

Unrestricted	2011-12	2012-13	2013-14
Beginning Balance	14,679,619	10,889,046	8,880,558
Ending Balance	10,889,046	8,880,558	4,185,649
Reserve %	11%	9%	4%

RECOMMENDATION:

It is recommended that the Board approve and certify the 2011-12 General Fund Second Interim Budget. It is further recommended the Board approve the positive certification regarding the District’s ability to meet its financial obligations for the remainder of this fiscal year and two subsequent years, and supporting documents as required by AB 2861, Chapter 1150, Statutes of 1986.

FUNDING SOURCE: **General Fund (03-00 & 06-00)**

General Fund Revenue & Expenditures - 2011-2012 Second Interim

	2011-2012 First Interim			2011-2012 Second Interim			Change
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
PROJECTED INCOME							
Revenue Limit / Property Tax	76,473,115	1,468,012	77,941,127	76,473,115	1,468,012	77,941,127	0
Federal Income	744,649	4,568,002	5,312,651	757,278	4,543,777	5,301,055	(11,596)
Other State Income	4,365,567	1,901,309	6,266,876	4,353,461	2,357,626	6,711,087	444,211
Local Income	1,753,884	6,025,734	7,779,618	1,945,190	6,105,825	8,051,015	271,397
Transfers	0	0	0	0	0	0	0
Encroachment	(12,110,002)	12,110,002	0	(12,230,236)	12,230,236	0	0
TOTAL PROJECTED INCOME	71,227,213	26,073,059	97,300,272	71,298,808	26,705,476	98,004,284	704,012
PROJECTED EXPENDITURES							
Certificated Salaries	39,848,655	8,594,011	48,442,666	39,441,757	8,620,383	48,062,140	(380,526)
Classified Salaries	9,758,929	6,523,999	16,282,928	9,781,184	6,387,450	16,168,634	(114,294)
Benefits	14,573,080	4,961,059	19,534,139	14,576,244	4,884,818	19,461,062	(73,077)
Books & Supplies	3,023,522	2,349,821	5,373,343	3,256,095	2,414,316	5,670,411	297,068
Services & Operating Expenses	6,771,149	3,757,889	10,529,038	6,827,146	4,512,229	11,339,375	810,337
Capital Outlay	116,862	0	116,862	81,862	0	81,862	(35,000)
Other Outgo	1,125,393	517,846	1,643,239	1,125,393	517,846	1,643,239	0
Categorical	0	0	0	0	0	0	0
TOTAL PROJECTED EXPENDITURES	75,217,590	26,704,625	101,922,215	75,089,681	27,337,042	102,426,723	504,508
Estimated Unspent	0	0	0	0	0	0	0
Expenditures (over/under) Revenue	(3,990,377)	(631,566)	(4,621,943)	(3,790,873)	(631,566)	(4,422,439)	199,504
FUND BALANCE, RESERVES:							
Beginning Balance - July 1	14,679,619	631,566	15,311,185	14,679,619	631,566	15,311,185	0
Audit Adjustment	0	0	0			0	0
Adjusted Beginning Balance	14,679,619	631,566	15,311,185	14,679,619	631,566	15,311,185	0
Projected Ending Balance - June 30	10,689,242	0	10,689,242	10,888,746	0	10,888,746	199,504
COMPONENTS OF THE ENDING BALANCE:							
Nonspendable:							
Revolving Cash Fund 9130	180,000		180,000	180,000		180,000	0
Stores Inventory 9320	1,000		1,000	1,000		1,000	0
Restricted:							
Reserve for categorical programs		0	0		0	0	0
Assigned:							
Basic Aid Reserve (3.0%)	3,057,666		3,057,666	3,072,802		3,072,802	15,135
Other Commitments	0		0	0		0	0
Unassigned:							
Recommended Min Reserve (4.5%)	4,586,500		4,586,500	4,609,203		4,609,203	22,703
Total Components	7,825,166	0	7,825,166	7,863,004	0	7,863,004	37,838
RESERVE FOR ECONOMIC UNCERTAINTIES	2,864,076	0	2,864,076	3,025,742	0	3,025,742	161,666
	2.81%	0.00%	2.81%	2.95%	0.00%	2.95%	0.14%

REVENUE LIMIT SOURCES

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8011		STATE AID	(22,848)		(22,848)	(22,848)		(22,848)	0
8021		HOMEOWNERS' EXEMPTION	767,938		767,938	767,938		767,938	0
8041		SECURED TAXES	73,158,653		73,158,653	73,158,653		73,158,653	0
8041		SECURED TAXES (Prev. SERAF)	966,789		966,789	966,789		966,789	0
8042		UNSECURED TAXES	2,705,664		2,705,664	2,705,664		2,705,664	0
8043		PRIOR YEAR TAXES	(1,990)		(1,990)	(1,990)		(1,990)	0
8046		SUPPL ED REV AUGMENT FUNDS(SERAF)	0		0	0		0	0
8047		COMMUNITY REDEVELOPMENT FUNDS	11,675		11,675	11,675		11,675	0
8082		OTHER TAXES	500		500	500		500	0
8089		50% RECAPTURE, OTHER TAXES	(250)		(250)	(250)		(250)	0
8091		SPECIAL ED ADA	(1,100,000)	1,100,000	0	(1,100,000)	1,100,000	0	0
8096		XFER TO CHT SCH INLIEU PROP TX	(13,016)	0	(13,016)	(13,016)	0	(13,016)	0
8097		SPECIAL ED EXCESS TAX		368,012	368,012		368,012	368,012	0
		TOTAL-REVENUE LIMIT SOURCES	76,473,115	1,468,012	77,941,127	76,473,115	1,468,012	77,941,127	0

FEDERAL INCOME

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8290-000	0000-024		8,000		8,000	20,629		20,629	12,629
8290 006	0000 012		736,649		736,649	736,649		736,649	0
8290 000	3010 000			538,613	538,613		545,230	545,230	6,617
8290 002	3010 000	P		188,653	188,653		188,653	188,653	0
8290 000	3205 000			224,353	224,353		224,353	224,353	0
8290 001	3205 000	D		613,317	613,317		613,317	613,317	0
8290 002	3205 000	P		61,525	61,525		61,525	61,525	0
8181 000	3310 000			1,806,127	1,806,127		1,806,127	1,806,127	0
8181 000	3311 000			103,487	103,487		103,487	103,487	0
8181 002	3313 000	P		18,625	18,625		18,625	18,625	0
8181 002	3314 000	P		42,877	42,877		42,877	42,877	0
8182 000	3327 000			363,367	363,367		331,136	331,136	(32,231)
8290 000	3410 000			196,416	196,416		196,416	196,416	0
8290 000	3550 001			89,542	89,542		89,542	89,542	0
8290 000	3550 002			6,711	6,711		6,711	6,711	0
8290 000	4035 000			183,019	183,019		183,019	183,019	0
8290 000	4036 000			9,000	9,000		9,000	9,000	0
8290 001	4036 000	D		1,179	1,179		1,179	1,179	0
8290 000	4045 000			1,856	1,856		1,856	1,856	0
8290 000	4201 000			28,966	28,966		28,966	28,966	0
8290 000	4203 000			70,414	70,414		71,803	71,803	1,389
8290 001	4203 000	D		1,000	1,000		1,000	1,000	0
8290 002	4203 000	P		18,955	18,955		18,955	18,955	0
			744,649	4,568,002	5,312,651	757,278	4,543,777	5,301,055	(11,596)

P PRIOR YEAR
D DEFERRED

OTHER STATE INCOME

ITEM 17

Object	Resource	09-10 FLEX RES/ CODE		2011-2012			2011-2012			Change
				First Interim			Second Interim			
				UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8590 000	0000 000		HOURLY PROGRAMS	610,351		610,351	610,351		610,351	0
8590 002	0000 000	P	HOURLY PROGRAMS	5,193		5,193	5,193		5,193	0
8590 005	0000 000		BASIC AID FAIR SHARE	(4,370,675)		(4,370,675)	(4,370,675)		(4,370,675)	0
8590 007	0000 000		ROP TIER III	130,484		130,484	118,378		118,378	(12,106)
8590 006	0000 012		CA SOLAR INITIATIVE REBATE	929,353		929,353	929,353		929,353	0
8590 000	0000 024		AP FEE REIMB PROG	6,000		6,000	6,000		6,000	0
8550 000	0425 000		MANDATED COST REIMBURSEMENT	149,508		149,508	149,508		149,508	0
8590 000	0900 XXX		CATEGORICAL FLEXIBILITY	5,551,999		5,551,999	5,551,999		5,551,999	0
8560 000	1100 000		LOTTERY	1,332,000		1,332,000	1,332,000		1,332,000	0
8560-002	1100 000		LOTTERY	21,354		21,354	21,354		21,354	0
8590 000	6286 000		ENGLISH LANGUAGE LEARNER			0			0	0
8560 000	6300 000		LOTTERY INSTRUCTIONAL MATERIALS		210,000	210,000		210,000	210,000	0
8560 002	6300 000	P	LOTTERY INSTRUCTIONAL MATERIALS		30,738	30,738		30,738	30,738	0
8590 000	6500 000		SPECIAL ED CAHSEE		0	0		0	0	0
8590 000	6500 000		SPECIAL EDUCATION		0	0		0	0	0
8590 000	6500 009		MENTAL HEALTH SERVICES		211,374	211,374		211,374	211,374	0
8590 000	6512 000		SPED MENTAL HEALTH SERVICES		62,283	62,283		62,283	62,283	0
8590 003	6512 000		SPED PROP 98 MENTAL HEALTH SERVICES		0	0		439,568	439,568	439,568
8590 000	6520 000		SPED PROJ WORKABILITY		292,190	292,190		292,190	292,190	0
8590 000	6530 000		SPED LOW INCIDENCE		1,521	1,521		1,789	1,789	268
8590 000	6535 000		SPED PERSONNEL STAFF DEV		4,372	4,372		4,618	4,618	246
8590 001	6660 000	D	TUPE/TOBACCO USE PREVENTION ED.		718	718		718	718	0
8590 001	6670 005	D	TUPE 9-12 STOP IV		607	607		607	607	0
8590 000	6690 000		TUPE 6-12 GRANT		86,281	86,281		86,281	86,281	0
8590 001	6690-000	D	TUPE 6-12 GRANT		59,106	59,106		59,106	59,106	0
8311 000	7090-000		ECONOMIC IMPACT AID		381,848	381,848		398,083	398,083	16,235
8311 000	7230 000		TRANSPORTATION - Home to School		481,086	481,086		481,086	481,086	0
8311 000	7240 000		TRANSPORTATION-Special Education		59,185	59,185		59,185	59,185	0
8590 000	7810 004		TRANSITION PRTNRSHP PROJ - WIT	0	20,000	20,000	0	20,000	20,000	0
TOTAL OTHER STATE REVENUE				4,365,567	1,901,309	6,266,876	4,353,461	2,357,626	6,711,087	444,211

D	DEFERRED
P	PRIOR YEAR

LOCAL INCOME

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
8689 050	0000 300	TRANSP FEES-ATHL-TP	115,000		115,000	115,000		115,000	0
8689 100	0000 300	TRANSP FEES-ATHL-LCC	125,000		125,000	125,000		125,000	0
8689 130	0000 300	TRANSP FEES-ATHL-SDA	20,000		20,000	20,000		20,000	0
8689 140	0000 300	TRANSP FEES-ATHL-CCA	35,000		35,000	35,000		35,000	0
8650 XXX	0000 634/5	M & O FIELD USE	100,000		100,000	100,000		100,000	0
8699 000	0100 030	22ND AGR DIST NON COOP	84,610		84,610	84,610		84,610	0
8677 004	0100 038	INT/AGY PRIVATE CONTRACTOR	50,796		50,796	50,796		50,796	0
8689 001	0100 039	OTHER PARKING FINES FEES	6,017		6,017	6,017		6,017	0
8660 XXX	0100 040	INTEREST	400,000		400,000	400,000		400,000	0
8631 000	0100 046	SALE OF EQUIPMENT & SUPPLIES	10,000		10,000	10,000		10,000	0
8631 001	0100 046	SALE OF EQUIPMENT & SUPPLIES			0			0	0
8689 014	0100 047	STUDENT PARKING FEES-CCA	14,000		14,000	14,000		14,000	0
8689 010	0100 048	STUDENT PARKING FEES-LCC	22,000		22,000	22,000		22,000	0
8689 013	0100 049	STUDENT PARKING FEES-SDA	10,000		10,000	10,000		10,000	0
8689 005	0100 050	STUDENT PARKING FEES-TP	28,000		28,000	28,000		28,000	0
8677 014	0100 051	ADMIN DEV FEES RSF/SB	1,500		1,500	1,500		1,500	0
8650 000	0100 XXX	LEASES AND RENTALS - SITE USE	0		0			0	0
8650 001	0100 302	BLDG/FIELD USE DIST WIDE	0		0			0	0
8792 000	6500 000	SPECIAL EDUCATION		3,620,658	3,620,658		3,620,658	3,620,658	0
8792 003	6500 000	NCCSE SURPLUS DISTRIBUTION			0		0	0	0
8677 010	6500 004	COASTAL LEARNING ACADEMY		100,000	100,000		100,000	100,000	0
8677 000	6500 007	SP ED, NCCSE		100,000	100,000		100,000	100,000	0
8675 001	7230 002	TRANSPORT.SERVICES PARENT PAY		500,000	500,000		500,000	500,000	0
8677 005	7230 009	INT/AG REV - OTHER TRANSP		8,000	8,000		8,000	8,000	0
8677 012	7230 009	I/A TRASPORTATION HTS			0			0	0
8677 012	7240 002	SP ED, TRANSPORTATION		20,000	20,000		20,000	20,000	0
8699 000	9010 009	SB70 CAREER DEV		16,380	16,380		16,380	16,380	0
8699 000	9010 010	SB70 CAREER DEV		74,335	74,335		74,335	74,335	0
8677 000	9025 XXX	ROP COUNTY OFFICE		1,631,845	1,631,845		1,699,830	1,699,830	67,985
8677 007	9025 XXX	INT/AG. REV. - ROP TIER III		(130,484)	(130,484)		(118,378)	(118,378)	12,106
8699 XXX	XXXX XXX	OTHER LOCAL INCOME	731,961	85,000	816,961	923,267	85,000	1,008,267	191,306
		TOTAL LOCAL REVENUE	1,753,884	6,025,734	7,779,618	1,945,190	6,105,825	8,051,015	271,397
8919 019	0100 085	TRANSFER FROM CAP. FAC. 25-19			0	0	0	0	0
8919 011	6285 000	TRANSFER FROM AD ED 11-00 FLEXIBILITY TRANSFER			0	0	0	0	0
8919 015	7230 000	I/F TRANSFER IN FR TRANSP EQUIP			0	0	0	0	0
8919 016	0000 000	I/TRANSF SELF INS FD			0	0	0	0	0
		SUBTOTAL TRANSFERS	0	0	0	0	0	0	0
8980 000	0000 000	UNRESTRICTED CONTRIBUTIONS	(12,110,002)		(12,110,002)	(12,230,236)	0	(12,230,236)	(120,234)
8980 000	3550 003	DISTRICT MATCH - PERKINS			0	0	0	0	0
8980 000	6500 000	CONTRIBUTION TO SPEC. ED. FOR ENCROACHMENT		6,158,547	6,158,547	0	6,788,862	6,788,862	630,315
8980 000	6500 009	MENTAL HEALTH SERVICES		462,976	462,976	0	55,639	55,639	(407,337)
8980 000	6520 000	SPEC PROJ. WORKABILITY I LEA			0	0	0	0	0
8980 000	7230 000	CONTRIBUTION TO H-T-S TRANSPORTATION		291,043	291,043	0	264,120	264,120	(26,923)
8980 000	7240 000	CONTRIBUTION TO SP. ED. TRANSP. FOR ENCROACH.		2,881,724	2,881,724	0	2,815,591	2,815,591	(66,133)
8980 000	8150 000	CONTRIBUTION TO ROUTINE REPAIR FOR ENCROACH.		2,315,712	2,315,712	0	2,306,024	2,306,024	(9,688)
8980 000	9010 XXX	OTHER LOCAL INCOME	0		0			0	0
		SUBTOTAL ENCROACHMENT	(12,110,002)	12,110,002	0	(12,230,236)	12,230,236	0	0
		TOTAL TRANSFERS	(12,110,002)	12,110,002	0	(12,230,236)	12,230,236	0	0
		TOTAL ALL REVENUE W/O TEMP TRSFERS	71,227,213	26,073,059	97,300,272	71,298,808	26,705,476	98,004,284	704,012
		OTHER I/F TRANSFERS IN-TEMP			0			0	0
		TOTAL REVENUE WITH ALL TRANSFERS	71,227,213	26,073,059	97,300,272	71,298,808	26,705,476	98,004,284	704,012

CERTIFICATED SALARIES

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
1100 000		TEACHERS' SALARIES	32,670,661	7,885,594	40,556,255	32,258,504	7,911,966	40,170,470	(385,785)
1100 033		EL STIPEND	500,000	0	500,000	500,000	0	500,000	0
1200 000		PUPIL SUPPORT: LIBRARIANS GUIDANCE, WELFARE & ATTEND. PHYSICAL & MENTAL HEALTH	2,759,458	110,901	2,870,359	2,764,267	110,901	2,875,168	4,809
1300 000		SUPERVISORS, ADMIN: SUPERINTENDENTS ADMINISTRATORS	3,540,593	419,442	3,960,035	3,540,593	419,442	3,960,035	0
1900 000		OTHER CERTIFICATED	377,943	178,074	556,017	378,393	178,074	556,467	450
		TOTAL-OBJECT CODE 1000	39,848,655	8,594,011	48,442,666	39,441,757	8,620,383	48,062,140	(380,526)

CLASSIFIED SALARIES

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
2100 000		INSTRUCTIONAL AIDES	756,989	2,141,565	2,898,554	756,989	2,029,318	2,786,307	(112,247)
2200 000		CLASSIFIED SUPPORT: MAINTENANCE & OPERATIONS INSTR. MEDIA / LIBRARY TRANSPORTATION	3,006,448	3,750,551	6,756,999	3,010,208	3,726,249	6,736,457	(20,542)
2300 000		SUPERVISORS AND ADMINISTRATORS' SALARIES	861,855	310,740	1,172,595	861,855	310,740	1,172,595	0
2400 000		CLERICAL & OFFICE PERSONNEL	4,785,826	319,643	5,105,469	4,808,908	319,643	5,128,551	23,082
2900 000		OTHER CLASSIFIED	347,811	1,500	349,311	343,224	1,500	344,724	(4,587)
		TOTAL-OBJECT CODE 2000	9,758,929	6,523,999	16,282,928	9,781,184	6,387,450	16,168,634	(114,294)

EMPLOYEE BENEFITS

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
3100 000		STATE TEACHERS' RETIREMENT SYS	3,468,057	706,734	4,174,791	3,436,546	707,586	4,144,132	(30,659)
3200 000		PUBLIC EMPLOYEE RETIREMENT SYS	1,082,021	662,741	1,744,762	1,079,002	635,846	1,714,848	(29,914)
3311/2 000		SOCIAL SECURITY	643,774	410,397	1,054,171	645,060	399,929	1,044,989	(9,182)
3321/2 000		MEDICARE	691,793	204,978	896,771	690,091	202,171	892,262	(4,509)
3400 000		INC PROTCT+CERT DNTAL+LIFE	438,602	120,948	559,550	441,356	121,690	563,046	3,496
3500 000		UNEMPLOYMENT INSURANCE	795,806	243,922	1,039,728	789,583	241,371	1,030,954	(8,774)
3600 000		WORKERS' COMPENSATION	727,608	188,769	916,377	722,795	186,792	909,587	(6,790)
3700 000		RETIREE BENEFITS (H & W)	508,708	132,805	641,513	585,907	156,228	742,135	100,622
3800 000		PERS REDUCTION	0	0	0	0	0	0	0
3900 000		FLEX ACCOUNTS	6,216,711	2,289,765	8,506,476	6,185,904	2,233,205	8,419,109	(87,367)
		TOTAL-OBJECT CODE 3000	14,573,080	4,961,059	19,534,139	14,576,244	4,884,818	19,461,062	(73,077)

BOOKS AND SUPPLIES

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
4100 000		TEXTBOOKS (7-8 + 9-12)	100,000	210,000	310,000	100,000	210,000	310,000	0
4200 000		BOOKS OTHER THAN TEXTBOOKS	1,900	505,595	507,495	1,900	505,595	507,495	0
4300 000		MATERIALS & SUPPLIES LOTTERY INSTRUCTIONAL MTRLS SCIENCE LAB MATERIALS OTHER SUPPLIES PUPIL TRANSPORTATION SUPPLIES GIFTS & DONATIONS	2,486,585	1,176,487	3,663,072	2,697,547	1,200,912	3,898,459	235,387
4300 999		ESTIMATED UNSPENT	0	361,566	361,566	0	344,711	344,711	(16,855)
4400 000		NON-CAPITALIZED EQUIPMENT MAT/SUP/EQUIP TECH	435,037	96,173	531,210	456,648	153,098	609,746	78,536
		TOTAL-OBJECT CODE 4000	3,023,522	2,349,821	5,373,343	3,256,095	2,414,316	5,670,411	297,068

SERVICES AND OPERATING EXPENSES

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
5100 000		SUBAGREEMENT FOR SERVICES	230,500	635,000	865,500	230,500	1,136,128	1,366,628	501,128
5200 000		TRAVEL/CONFERENCES/INSERVICE TRNG	139,765	80,611	220,376	140,591	80,518	221,109	733
5300 000		DISTRICT DUES & MEMBERSHIP	67,045	3,575	70,620	66,995	3,575	70,570	(50)
5400 000		INSURANCE	560,000	0	560,000	560,000	0	560,000	0
5500 000		UTILITIES	2,085,652	2,500	2,088,152	2,085,652	2,500	2,088,152	0
5600 000		RENTALS, LEASES & REPAIRS	781,554	156,500	938,054	751,202	155,100	906,302	(31,752)
5700 000		INTER-PROGRAM SERVICES	327,505	(343,321)	(15,816)	377,505	(393,321)	(15,816)	0
5800 000		PROF./CONSULTING & OTHER SERVICES & OPERATING EXPENSES, INSTRUCTIONAL CONSULT. & LECT.	2,120,248	3,192,754	5,313,002	2,154,821	3,497,459	5,652,280	339,278
5900 000		COMMUNICATIONS: VOICE, DATA & POSTAGE	458,880	30,270	489,150	459,880	30,270	490,150	1,000
		TOTAL-OBJECT CODE 5000	6,771,149	3,757,889	10,529,038	6,827,146	4,512,229	11,339,375	810,337

CAPITAL OUTLAY

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
6100 000		SITES & IMPROVEMENT OF SITE	0	0	0	0	0	0	0
6200 000		IMPROVEMENT	0	0	0	0	0	0	0
6400 000		EQUIPMENT	4,000	0	4,000	11,000	0	11,000	7,000
6500 000		EQUIPMENT REPLACEMENT	112,862	0	112,862	70,862	0	70,862	(42,000)
		TOTAL-OBJECT CODE 6000	116,862	0	116,862	81,862	0	81,862	(35,000)

OTHER OUTGO

ITEM 17

Object	Resource		2011-2012 First Interim			2011-2012 Second Interim			Change
			UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	
7130 000	XXXX-XXX	STATE SPECIAL SCHOOLS			0	0	0	0	0
7130 000	6500 001	STATE SPECIAL SCHOOLS			0	0	0	0	0
7142 000	6500 001	OTHER TUITION & SPEC. ED EXCESS COS	0	15,000	15,000	0	15,000	15,000	0
7142-002	6500-005	ADULT TRANSITION SH PROGRAM	0	30,000	30,000	0	30,000	30,000	0
7142 003	6500 001	SP. ED. NCCSE MOU	0	127,000	127,000	0	127,000	127,000	0
7142 001	9010 002	SP. ED. EXCESS COST/CO OFC			0	0	0	0	0
7310 001	XXXX XXX	DIRECT SUPPORT/INDIRECT COSTS	(342,846)	342,846	0	(342,846)	342,846	0	0
7350 011	XXXX XXX	ADULT ED INDIRECT - FUND 11-00	(33,543)		(33,543)	(33,543)	0	(33,543)	0
7350 013	XXXX XXX	FOOD SERVICE INDIRECT FD 13-00	(146,045)		(146,045)	(146,045)	0	(146,045)	0
7438 000	XXXX XXX	SOLAR PROJ DEBT SVC INT	840,639		840,639	840,639	0	840,639	0
7439 000	XXXX XXX	SOLAR PROJ OTH DEBT SVC PRINC.	765,588		765,588	765,588	0	765,588	0
7615 014	8150 000	TRSF FROM GEN TO DEF. MAINT. FUND 14-00			0	0	0	0	0
7619 015	XXXX XXX	TRSF FROM GEN TO FUND 15-00	21,600	3,000	24,600	21,600	3,000	24,600	0
7619 030	0000 800	INTERFD-TRSF-TO DED. INS.	20,000		20,000	20,000	0	20,000	0
		TOTAL-OBJECT CODE 7000	1,125,393	517,846	1,643,239	1,125,393	517,846	1,643,239	0
		TOTAL-ALL EXPENDITURES	75,217,590	26,704,625	101,922,215	75,089,681	27,337,042	102,426,723	0
		GRAND TOTAL-ALL EXPENDITURES	75,217,590	26,704,625	101,922,215	75,089,681	27,337,042	102,426,723	0

ITEM 17

San Dieguito Union High School District
Business Services Division
Finance Department

2011-2012
Second Interim
Summary of Changes

Income:	<u>First Interim</u>	<u>Second Interim</u>	<u>Summary of Changes</u>		
Revenue Limit	77,941,127	77,941,127	0		
Federal	5,312,651	5,301,055	(11,596)	*	\$13K AP Fee Reimbursement Program
				*	\$7K Title I
				*	<\$32K> Special Ed IDEA Mental Health
Other State	6,266,876	6,711,087	444,211	*	\$440K Mental Health Services
				*	
				*	
Local	7,779,618	8,051,015	271,397	*	\$201K Donations, College Testing
				*	\$68K ROP
				*	
Transfers	0	0	0	*	
Encroachment	(12,110,002)	(12,230,236)	(120,234)	*	\$630K Contribution to Special Ed
				*	<\$407K> Contribution to Mental Health Services
				*	<\$66K> Contribution to Special Ed Transportation
				*	<\$27K> Contribution to Home to School Transportation
Total	97,300,272	98,004,284	704,012		

ITEM 17

San Dieguito Union High School District
Business Services Division
Finance Department

2011-2012
Second Interim
Summary of Changes

Expenditures:

	<u>First Interim</u>	<u>Second Interim</u>	<u>Summary of Changes</u>		
Certificated Salaries	48,442,666	48,062,140	(380,526)	*	<\$300K> Column Change - removed estimate (increase shown at First Interim)
				*	
Classified Salaries	16,282,928	16,168,634	(114,294)	*	<\$112K> Instructional Aide Savings
Benefits	19,534,139	19,461,062	(73,077)	*	Corresponding Benefit Reduction
				*	
Books & Supplies	5,373,343	5,670,411	297,068	*	\$20K Donations, College Testing
				*	\$52K ROP
				*	\$42K Budget Expenditure Reclass from capital outlay
				*	
Services & Operating Expenses	10,529,038	11,339,375	810,337	*	\$601K Non-Public Schools
				*	\$200K Non-Public Agencies
Capital Outlay	116,862	81,862	(35,000)	*	<\$42K> Budget Expenditure Reclass to Books and Supplies
Other Outgo	1,643,239	1,643,239	0	*	
Total	101,922,215	102,426,723	504,508		

	2011-12 First Interim			2011-12 Second Interim			2012-13			2013-14		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
Income:												
Revenue Limit/Property Tax	76,473,115	1,468,012	77,941,127	76,473,115	1,468,012	77,941,127	77,256,834	1,468,012	78,724,846	78,855,621	1,468,012	80,323,633
Federal Income	744,649	4,568,002	5,312,651	757,278	4,543,777	5,301,055	757,278	3,286,237	4,043,515	757,278	3,286,237	4,043,515
Oth State Income	4,365,567	1,901,309	6,266,876	4,353,461	2,357,626	6,711,087	3,824,705	1,817,626	5,642,331	39,127	1,828,304	1,867,430
Local Income	1,753,884	6,025,734	7,779,618	1,945,190	6,105,825	8,051,015	2,085,190	6,069,825	8,155,015	2,085,190	6,383,825	8,469,015
Transfers In	0	0	0	0	0	0	50,000	0	50,000	0	0	0
Encroachment	(12,110,002)	12,110,002	0	(12,230,236)	12,230,236	0	(11,555,124)	11,555,124	0	(11,010,166)	11,010,166	0
Total Income	71,227,213	26,073,059	97,300,272	71,298,808	26,705,476	98,004,284	72,418,883	24,196,824	96,615,707	70,727,050	23,976,544	94,703,594
Expenditures:												
Certif Salaries	39,848,655	8,594,011	48,442,666	39,441,457	8,620,383	48,061,840	40,523,952	8,092,816	48,616,768	41,220,964	8,370,629	49,591,593
Classif Salaries	9,758,929	6,523,999	16,282,928	9,781,184	6,387,450	16,168,634	9,113,024	5,840,265	14,953,290	9,161,323	6,006,219	15,167,542
Benefits	14,573,080	4,961,059	19,534,139	14,576,244	4,884,818	19,461,062	14,726,086	4,192,124	18,918,211	14,975,363	4,335,970	19,311,333
Supplies/Materials	3,023,522	2,349,821	5,373,343	3,256,095	2,414,316	5,670,411	2,198,755	1,356,190	3,554,945	2,198,755	1,356,190	3,554,945
Services + Other Opr	6,771,149	3,757,889	10,529,038	6,827,146	4,512,229	11,339,375	6,658,299	3,791,028	10,449,327	6,658,299	3,361,028	10,019,327
Capital Outlay	116,862	0	116,862	81,862	0	81,862	81,862	0	81,862	81,862	0	81,862
Other Outgo	1,125,393	517,846	1,643,239	1,125,393	517,846	1,643,239	1,125,393	517,846	1,643,239	1,125,393	517,846	1,643,239
Categorical		0	0		0	0		0	0	0	0	0
Total Expenditures	75,217,590	26,704,625	101,922,215	75,089,381	27,337,042	102,426,423	74,427,372	23,790,269	98,217,641	75,421,959	23,947,882	99,369,841
Est Unspent		0	0		0	0		0	0		0	0
Est Expenditures	75,217,590	26,704,625	101,922,215	75,089,381	27,337,042	102,426,423	74,427,372	23,790,269	98,217,641	75,421,959	23,947,882	99,369,841
Excess or (Deficit)	(3,990,377)	(631,566)	(4,621,943)	(3,790,573)	(631,566)	(4,422,139)	(2,008,488)	406,555	(1,601,934)	(4,694,909)	28,662	(4,666,247)
Begin Bal	14,679,619	631,566	15,311,185	14,679,619	631,566	15,311,185	10,889,046	0	10,889,046	8,880,558	406,555	9,287,112
Audit Adjustment		0	0		0	0		0	0		0	0
Adj Beg Bal	14,679,619	631,566	15,311,185	14,679,619	631,566	15,311,185	10,889,046	0	10,889,046	8,880,558	406,555	9,287,112
Ending Balance	10,689,242	0	10,689,242	10,889,046	0	10,889,046	8,880,558	406,555	9,287,112	4,185,649	435,216	4,620,865
Components of EB:												
<u>Nonspendable:</u>												
RCF	50,000		50,000	180,000		180,000	180,000		180,000	180,000		180,000
STORES	1,144		1,144	1,000		1,000	1,000		1,000	1,000		1,000
Prepaid Expenditures	0		0									
<u>Restricted:</u>												
Resv for cat progs		0	0		0	0		406,555	406,555		435,216	435,216
<u>Assigned:</u>												
Basic Aid Reserve	3,059,016		3,059,016	3,072,793		3,072,793	0		0	0		0
Other Commnts	275,000		275,000									
Donation Carryover	0		0									
<u>Unassigned:</u>												
Reserve @ 4.5%	4,588,524		4,588,524	4,609,189		4,609,189	4,419,794		4,419,794	4,471,643		4,471,643
Total Components	7,973,684	0	7,973,684	7,862,982	0	7,862,982	4,600,794	406,555	5,007,348	4,652,643	435,216	5,087,859
Econ Uncertainties	2,715,558	0	2,715,558	3,026,064	0	3,026,064	4,279,764	0	4,279,764	(466,994)	0	(466,994)
	2.66%		2.66%	2.95%		2.95%	4.36%		4.36%	-0.47%		-0.47%
Special Reserve	2,476,743		2,476,743	2,475,737		2,475,737	2,500,494		2,500,494	2,525,499		2,525,499
Combined Reserve	12.92%			13.05%		13.05%	11.59%		11.59%	6.75%		6.75%

	2011-12		2012-13		2013-14	
	11945		11945		11945	
	Fund 03	Fund 06	Fund 03	Fund 06	Fund 03	Fund 06
ADA						
Income:						
Revenue Limit/Property Tax						
Base Revenue Limit	89,315,532		92,146,834		94,358,358	
Funded Revenue Limit	72,698,716		68,279,151		69,917,851	
Est. P-2 Property Tax	77,595,963		78,371,923		79,939,361	
Excess Tax	4,897,247		10,092,772		10,021,510	
Prop Tax Increase %	0.50%		1.0%		2.0%	
California CPI	2.30%		2.10%		2.4%	
Net	387,980		783,719	15,722	1,598,787	29,360
Federal Income						
PY Categorical Carryover				(358,345)		
Less 1011 Jobs Stim				(613,317)		
Less 1112 Jobs Stim				(285,878)		
Net	-	-	-	(1,257,540)	-	-
Oth State Income						
Fair Share Restoration						
COLA	2.24%		3.17%		2.40%	
Net RevLim Change	0.00%		0.00%		2.40%	
Fair Share Percentage	-9.57%		-9.57%		-9.57%	
12/13 Trigger Cut			(4,419,565)			
State Transportation				(540,000)		
Tier II and III Funding	5,651,115	984,899	5,651,115	444,899	5,786,742	455,577
Estimated Fair Share Cut			(8,547,496)		(8,818,452)	
Fair Share vs PY Excess Tax	(4,368,491)		(4,897,247)		(8,818,452)	
Net Tier II & III Categorical	1,282,624	984,899	753,868	444,899	(3,031,710)	455,577
Basic Aid	1,433,372		1,433,372		1,433,372	
Tier II YOY Change				-		-
Tier III YOY Change			(528,756)	(540,000)	(3,785,578)	10,678
Mandate Reimbursement						
Net			(528,756)	(540,000)	(3,785,578)	10,678
Local Income						
SpEd Alternative Program						150,000
SELPA Equalization				314,000		314,000
Bus Pass Revenue				(500,000)		
Redirect ROP Revenue			100,000			
Athletics Contributions				150,000		
Expand Parking Citations			30,000			
Cell Tower Revenue			10,000			
Donation PY Carryover						
Net	-	-	140,000	(36,000)	-	314,000
Adult Ed Repayment			50,000		(50,000)	
Transfers In			50,000	-	(50,000)	-
Encroachment						
HTS Transportation			265,000	(265,000)		
SpEd Alternative Program			96,112	(96,112)	230,958	(230,958)
SELPA Equalization			314,000	(314,000)	314,000	(314,000)
Net			675,112	(675,112)	544,958	(544,958)
Net Change to Income Combined			1,120,075	(2,492,930)	(1,691,833)	(190,920)
				(1,372,855)		(1,882,753)
Expenditures:						
Certif Salaries						
Step	1.30%	1.30%	1.30%	1.30%	1.30%	1.30%
			512,739	112,065	526,811	105,207
Column	0.42%	0.42%	0.42%	0.42%	0.42%	0.42%
			165,654	36,206	170,201	17,607
Salary Increase %	-	-	0	0	0	0
Fed Jobs Stim			899,195	(899,195)		
SpEd Alternative Program				350,000		155,000
Cert Staff Reductions			(500,000)			
Admin Reorg			4,907	(126,643)		
Net			1,082,495	(527,567)	697,012	277,814
Classif Salaries						
Step	0.53%	0.53%	0.53%	0.53%	0.53%	0.53%
			51,840	33,853	48,299	30,953
Salary Increase	-	-	0	0	0	0
Classified Reductions			(720,000)			
SpEd Alternative Program				135,000		135,000
HTS Transportation				(716,038)		
Net			(668,160)	(547,185)	48,299	165,953
Benefits						
Cert Flex			4,792,046	1,673,061	5,123,409	1,824,592
Class Flex			1,835,214	1,357,556	2,166,577	1,509,087
Flex Increase %			5%	5%	5%	5%
Flex Increase \$			331,363	151,531	364,499	166,684
HTS Transportation						
Net			331,363	151,531	364,499	166,684
Supplies/Materials						
PY One-Time Carry-Over			(891,743)	(631,566)		
Reduce ROP Supplies				(100,000)		
Reduce Textbook Purchases			(165,597)			
HTS Transportation				(326,560)		
Net			(1,057,340)	(1,058,126)	-	-
Services + Other Opr						
Solar Savings			(168,847)			
SpEd Alternative Program				(645,000)		(430,000)
HTS Transportation				(76,201)		
Net			(168,847)	(721,201)	-	(430,000)
Capital Outlay						
Other Outgo						
Solar Debt Service						
Def Maint Contribution						
Net			-	-	-	-
Net Change to Expenditures Combined			(480,489)	(2,702,548)	1,109,810	180,451
				(3,183,037)		1,290,261
Total Net Change Combined			1,600,564	209,618	(2,801,643)	(371,371)
				1,810,182		(3,173,014)

NOTICE OF CRITERIA AND STANDARDS REVIEW. This interim report was based upon and reviewed using the state-adopted Criteria and Standards. (Pursuant to Education Code (EC) sections 33129 and 42130)

Signed: _____ Date: _____
District Superintendent or Designee

NOTICE OF INTERIM REVIEW. All action shall be taken on this report during a regular or authorized special meeting of the governing board.

To the County Superintendent of Schools:

This interim report and certification of financial condition are hereby filed by the governing board of the school district. (Pursuant to EC Section 42131)

Meeting Date: March 01, 2012 Signed: _____
President of the Governing Board

CERTIFICATION OF FINANCIAL CONDITION

X POSITIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

_____ QUALIFIED CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

_____ NEGATIVE CERTIFICATION

As President of the Governing Board of this school district, I certify that based upon current projections this district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

Contact person for additional information on the interim report:

Name: Delores Perley Telephone: (760) 753-6491 x5561
Title: Director of Financial Services E-mail: delores.perley@sduhsd.net

Criteria and Standards Review Summary

The following summary is automatically completed based on data provided in the Criteria and Standards Review form (Form 01CSI). Criteria and standards that are "Not Met," and supplemental information and additional fiscal indicators that are "Yes," may indicate areas of potential concern, which could affect the interim report certification, and should be carefully reviewed.

CRITERIA AND STANDARDS			Met	Not Met
1	Average Daily Attendance	Funded ADA for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	

CRITERIA AND STANDARDS (continued)			Met	Not Met
2	Enrollment	Projected enrollment for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
3	ADA to Enrollment	Projected second period (P-2) ADA to enrollment ratio for the current and two subsequent fiscal years is consistent with historical ratios.	X	
4	Revenue Limit	Projected revenue limit for any of the current or two subsequent fiscal years has not changed by more than two percent since first interim.	X	
5	Salaries and Benefits	Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures has not changed by more than the standard for the current and two subsequent fiscal years.	X	
6a	Other Revenues	Projected operating revenues (federal, other state, other local) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.		X
6b	Other Expenditures	Projected operating expenditures (books and supplies, services and other expenditures) for the current and two subsequent fiscal years have not changed by more than five percent since first interim.		X
7a	Deferred Maintenance	SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011), eliminates the local match requirement for Deferred Maintenance from 2008-09 through 2014-15. Therefore, this item has been inactivated for that period.		
7b	Ongoing and Major Maintenance Account	If applicable, changes occurring since first interim meet the required contribution to the ongoing and major maintenance account (i.e., restricted maintenance account).	X	
8	Deficit Spending	Unrestricted deficit spending, if any, has not exceeded the standard in any of the current or two subsequent fiscal years.		X
9a	Fund Balance	Projected general fund balance will be positive at the end of the current and two subsequent fiscal years.	X	
9b	Cash Balance	Projected general fund cash balance will be positive at the end of the current fiscal year.	X	
10	Reserves	Available reserves (e.g., reserve for economic uncertainties, unassigned/unappropriated amounts) meet minimum requirements for the current and two subsequent fiscal years.	X	

SUPPLEMENTAL INFORMATION			No	Yes
S1	Contingent Liabilities	Have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) occurred since first interim that may impact the budget?	X	
S2	Using One-time Revenues to Fund Ongoing Expenditures	Are there ongoing general fund expenditures funded with one-time revenues that have changed since first interim by more than five percent?	X	
S3	Temporary Interfund Borrowings	Are there projected temporary borrowings between funds?	X	
S4	Contingent Revenues	Are any projected revenues for any of the current or two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel tax, forest reserves)?	X	
S5	Contributions	Have contributions from unrestricted to restricted resources, or transfers to or from the general fund to cover operating deficits, changed since first interim by more than \$20,000 and more than 5% for any of the current or two subsequent fiscal years?		X

SUPPLEMENTAL INFORMATION (continued)			No	Yes
S6	Long-term Commitments	Does the district have long-term (multiyear) commitments or debt agreements?		X
		• If yes, have annual payments for the current or two subsequent fiscal years increased over prior year's (2010-11) annual payment?		X
		• If yes, will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?	X	
S7a	Postemployment Benefits Other than Pensions	Does the district provide postemployment benefits other than pensions (OPEB)?		X
		• If yes, have there been changes since first interim in OPEB liabilities?	X	
S7b	Other Self-insurance Benefits	Does the district operate any self-insurance programs (e.g., workers' compensation)?	X	
		• If yes, have there been changes since first interim in self-insurance liabilities?	n/a	
S8	Status of Labor Agreements	As of second interim projections, are salary and benefit negotiations still unsettled for:		
		• Certificated? (Section S8A, Line 1b)	X	
		• Classified? (Section S8B, Line 1b)	X	
		• Management/supervisor/confidential? (Section S8C, Line 1b)	X	
S8	Labor Agreement Budget Revisions	For negotiations settled since first interim, per Government Code Section 3547.5(c), are budget revisions still needed to meet the costs of the collective bargaining agreement(s) for:		
		• Certificated? (Section S8A, Line 3)	n/a	
		• Classified? (Section S8B, Line 3)	n/a	
S9	Status of Other Funds	Are any funds other than the general fund projected to have a negative fund balance at the end of the current fiscal year?		X

ADDITIONAL FISCAL INDICATORS			No	Yes
A1	Negative Cash Flow	Do cash flow projections show that the district will end the current fiscal year with a negative cash balance in the general fund?	X	
A2	Independent Position Control	Is personnel position control independent from the payroll system?		X
A3	Declining Enrollment	Is enrollment decreasing in both the prior and current fiscal years?		X
A4	New Charter Schools Impacting District Enrollment	Are any new charter schools operating in district boundaries that are impacting the district's enrollment, either in the prior or current fiscal year?	X	
A5	Salary Increases Exceed COLA	Has the district entered into a bargaining agreement where any of the current or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?	X	
A6	Uncapped Health Benefits	Does the district provide uncapped (100% employer paid) health benefits for current or retired employees?	X	
A7	Independent Financial System	Is the district's financial system independent from the county office system?	X	
A8	Fiscal Distress Reports	Does the district have any reports that indicate fiscal distress? If yes, provide copies to the COE, pursuant to EC 42127.6(a).	X	
A9	Change of CBO or Superintendent	Have there been personnel changes in the superintendent or chief business official (CBO) positions within the last 12 months?	X	

Provide methodology and assumptions used to estimate ADA, enrollment, revenues, expenditures, reserves and fund balance, and multiyear commitments (including cost-of-living adjustments).

Deviations from the standards must be explained and may affect the interim certification.

CRITERIA AND STANDARDS

1. CRITERION: Average Daily Attendance

STANDARD: Funded average daily attendance (ADA) for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since first interim projections.

District's ADA Standard Percentage Range: -2.0% to +2.0%

1A. Calculating the District's ADA Variances

DATA ENTRY: First Interim data that exist will be extracted; otherwise enter data into the first column for all fiscal years. Second Interim Projected Year Totals data for Current Year are extracted. If Second Interim Form MYPI exists, Projected Year Totals data will be extracted for the two subsequent years; if not, enter data into the second column.

Fiscal Year	Revenue Limit (Funded) ADA		Percent Change	Status
	First Interim Projected Year Totals (Form 01CSI, Item 1A)	Second Interim Projected Year Totals (Form RLI, Line 5b) (Form MYPI, Unrestricted, A1b)		
Current Year (2011-12)	11,968.34	11,968.34	0.0%	Met
1st Subsequent Year (2012-13)	11,945.00	11,945.00	0.0%	Met
2nd Subsequent Year (2013-14)	11,945.00	11,945.00	0.0%	Met

1B. Comparison of District ADA to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Funded ADA has not changed since first interim projections by more than two percent in any of the current year or two subsequent fiscal years.

Explanation:
(required if NOT met)

2. CRITERION: Enrollment

STANDARD: Projected enrollment for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since first interim projections.

District's Enrollment Standard Percentage Range: -2.0% to +2.0%

2A. Calculating the District's Enrollment Variances

DATA ENTRY: First Interim data that exist will be extracted; otherwise, enter data into the first column for all fiscal years. Enter data in the second column for all fiscal years.

Fiscal Year	Enrollment		Percent Change	Status
	First Interim (Form 01CSI, Item 2A)	Second Interim CBEDS/Projected		
Current Year (2011-12)	12,480	12,480	0.0%	Met
1st Subsequent Year (2012-13)	12,480	12,480	0.0%	Met
2nd Subsequent Year (2013-14)	12,480	12,480	0.0%	Met

2B. Comparison of District Enrollment to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Enrollment projections have not changed since first interim projections by more than two percent for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

3. CRITERION: ADA to Enrollment

STANDARD: Projected second period (P-2) average daily attendance (ADA) to enrollment ratio for any of the current fiscal year or two subsequent fiscal years has not increased from the historical average ratio from the three prior fiscal years by more than one half of one percent (0.5%).

3A. Calculating the District's ADA to Enrollment Standard

DATA ENTRY: Unaudited Actuals data that exist will be extracted into the P-2 ADA column for the First Prior Year; otherwise, enter First Prior Year data. P-2 ADA for the second and third prior years are preloaded. First Interim data that exist will be extracted into the Enrollment column; otherwise, enter Enrollment data for all fiscal years.

Fiscal Year	P-2 ADA Unaudited Actuals (Form A, Lines 3, 6, and 25)	Enrollment CBEDS Actual (Form 01CSI, Item 3A)	Historical Ratio of ADA to Enrollment
Third Prior Year (2008-09)	12,073	12,606	95.8%
Second Prior Year (2009-10)	12,150	12,661	96.0%
First Prior Year (2010-11)	11,964	12,499	95.7%
Historical Average Ratio:			95.8%
District's ADA to Enrollment Standard (historical average ratio plus 0.5%):			96.3%

3B. Calculating the District's Projected Ratio of ADA to Enrollment

DATA ENTRY: If Form MYPI exists, Estimated P-2 ADA data for the two subsequent years will be extracted; if not, enter Estimated P-2 ADA data in the first column. All other data are extracted.

Fiscal Year	Estimated P-2 ADA (Form AI, Lines 1-4 and 22) (Form MYPI, Line F2)	Enrollment CBEDS/Projected (Criterion 2, Item 2A)	Ratio of ADA to Enrollment	Status
Current Year (2011-12)	11,957	12,480	95.8%	Met
1st Subsequent Year (2012-13)	11,945	12,480	95.7%	Met
2nd Subsequent Year (2013-14)	11,945	12,480	95.7%	Met

3C. Comparison of District ADA to Enrollment Ratio to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Projected P-2 ADA to enrollment ratio has not exceeded the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

4. CRITERION: Revenue Limit

STANDARD: Projected revenue limit for any of the current fiscal year or two subsequent fiscal years has not changed by more than two percent since first interim projections.

District's Revenue Limit Standard Percentage Range: -2.0% to +2.0%

4A. Calculating the District's Projected Change in Revenue Limit

DATA ENTRY: First Interim data that exist will be extracted; otherwise, enter data into the first column. In the Second Interim column, Current Year data are extracted; enter data for the two subsequent years.

Fiscal Year	Revenue Limit (Fund 01, Objects 8011, 8020-8089)		Percent Change	Status
	First Interim (Form 01CSI, Item 4A)	Second Interim Projected Year Totals		
	Current Year (2011-12)	77,586,131.00		
1st Subsequent Year (2012-13)	78,369,850.00	78,369,850.00	0.0%	Met
2nd Subsequent Year (2013-14)	79,968,637.00	79,968,637.00	0.0%	Met

4B. Comparison of District Revenue Limit to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Revenue limit has not changed since first interim projections by more than two percent for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

5. CRITERION: Salaries and Benefits

STANDARD: Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the current fiscal year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district's required reserves percentage.

5A. Calculating the District's Historical Average Ratio of Unrestricted Salaries and Benefits to Total Unrestricted General Fund Expenditures

DATA ENTRY: Unaudited Actuals data that exist for the First Prior Year will be extracted; otherwise, enter data for the First Prior Year. Unaudited Actuals data for the second and third prior years are preloaded.

Fiscal Year	Unaudited Actuals - Unrestricted (Resources 0000-1999)		Ratio of Unrestricted Salaries and Benefits to Total Unrestricted Expenditures
	Salaries and Benefits (Form 01, Objects 1000-3999)	Total Expenditures (Form 01, Objects 1000-7499)	
Third Prior Year (2008-09)	67,033,445.55	76,021,697.57	88.2%
Second Prior Year (2009-10)	66,194,884.77	75,120,626.25	88.1%
First Prior Year (2010-11)	63,763,909.57	74,726,639.65	85.3%
Historical Average Ratio:			87.2%

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
District's Reserve Standard Percentage (Criterion 10B, Line 4)	3.0%	3.0%	3.0%
District's Salaries and Benefits Standard (historical average ratio, plus/minus the greater of 3% or the district's reserve standard percentage):	84.2% to 90.2%	84.2% to 90.2%	84.2% to 90.2%

5B. Calculating the District's Projected Ratio of Unrestricted Salaries and Benefits to Total Unrestricted General Fund Expenditures

DATA ENTRY: If Form MYPI exists, Projected Year Totals data for the two subsequent years will be extracted; if not, enter Projected Year Totals data. Projected Year Totals data for Current Year are extracted.

Fiscal Year	Projected Year Totals - Unrestricted (Resources 0000-1999)		Ratio of Unrestricted Salaries and Benefits to Total Unrestricted Expenditures	Status
	Salaries and Benefits (Form 011, Objects 1000-3999) (Form MYPI, Lines B1-B3)	Total Expenditures (Form 011, Objects 1000-7499) (Form MYPI, Lines B1-B8, B10)		
Current Year (2011-12)	63,799,185.00	75,048,081.00	85.0%	Met
1st Subsequent Year (2012-13)	64,363,063.00	74,386,072.00	86.5%	Met
2nd Subsequent Year (2013-14)	65,357,650.00	75,380,659.00	86.7%	Met

5C. Comparison of District Salaries and Benefits Ratio to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Ratio of total unrestricted salaries and benefits to total unrestricted expenditures has met the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

6. CRITERION: Other Revenues and Expenditures

STANDARD: Projected operating revenues (including federal, other state and other local) or expenditures (including books and supplies, and services and other operating), for any of the current fiscal year or two subsequent fiscal years, have not changed by more than five percent since first interim projections.

Changes that exceed five percent in any major object category must be explained.

District's Other Revenues and Expenditures Standard Percentage Range:	-5.0% to +5.0%
District's Other Revenues and Expenditures Explanation Percentage Range:	-5.0% to +5.0%

6A. Calculating the District's Change by Major Object Category and Comparison to the Explanation Percentage Range

DATA ENTRY: First Interim data that exist will be extracted; otherwise, enter data into the first column. Second Interim data for the Current Year are extracted. If Second Interim Form MYPI exists, data for the two subsequent years will be extracted; if not, enter data for the two subsequent years into the second column.

Explanations must be entered for each category if the percent change for any year exceeds the district's explanation percentage range.

Object Range / Fiscal Year	First Interim Projected Year Totals (Form 01CSI, Item 6A)	Second Interim Projected Year Totals (Fund 01) (Form MYPI)	Percent Change	Change Is Outside Explanation Range
Federal Revenue (Fund 01, Objects 8100-8299) (Form MYPI, Line A2)				
Current Year (2011-12)	5,312,651.00	5,301,055.00	-0.2%	No
1st Subsequent Year (2012-13)	4,055,111.00	4,043,515.00	-0.3%	No
2nd Subsequent Year (2013-14)	4,055,111.00	4,043,515.00	-0.3%	No

Explanation:
(required if Yes)

Other State Revenue (Fund 01, Objects 8300-8599) (Form MYPI, Line A3)				
Current Year (2011-12)	6,266,876.00	6,711,087.00	7.1%	Yes
1st Subsequent Year (2012-13)	5,935,462.00	5,642,331.00	-4.9%	No
2nd Subsequent Year (2013-14)	7,596,933.00	1,867,430.00	-75.4%	Yes

Explanation:
(required if Yes)

In 2011-12, State Revenue has been increased at 2nd Interim by \$444K, due primarily to the addition of State Mental Health Funding. The allocation amounts were not known at 1st Interim. In 2013-14, State Revenue is reduced by \$3.8M due to the effects of the Governor's Proposed 2012-13 budget and the impact on the Basic Aid "Fair Share" reductions and excess tax in subsequent years.

Other Local Revenue (Fund 01, Objects 8600-8799) (Form MYPI, Line A4)				
Current Year (2011-12)	7,779,618.00	8,051,015.00	3.5%	No
1st Subsequent Year (2012-13)	7,779,618.00	8,155,015.00	4.8%	No
2nd Subsequent Year (2013-14)	7,779,618.00	8,469,015.00	8.9%	Yes

Explanation:
(required if Yes)

In 2013-14, Local Revenue is increased by \$314K. This increase is for additional Special Ed funding from the SELPA, due to an agreed upon equalization plan with a 3-year implementation plan beginning in 2013-14.

Books and Supplies (Fund 01, Objects 4000-4999) (Form MYPI, Line B4)				
Current Year (2011-12)	5,373,343.00	5,670,411.00	5.5%	Yes
1st Subsequent Year (2012-13)	3,850,034.00	3,554,945.00	-7.7%	Yes
2nd Subsequent Year (2013-14)	3,850,034.00	3,554,945.00	-7.7%	Yes

Explanation:
(required if Yes)

The 2011-12 increase in Books and Supplies is due to the receipt of additional donations and other local revenue. These funds are budgeted as revenue and expenses as they are received. This increase continues in both local revenue and expenses in the subsequent years.

Services and Other Operating Expenditures (Fund 01, Objects 5000-5999) (Form MYPI, Line B5)				
Current Year (2011-12)	10,529,038.00	11,339,375.00	7.7%	Yes
1st Subsequent Year (2012-13)	10,504,038.00	10,449,327.00	-0.5%	No
2nd Subsequent Year (2013-14)	10,478,038.00	10,019,327.00	-4.4%	No

Explanation:
(required if Yes)

The 2011-12 increase in Services and Other Operating Expenditures is due to additional non-public school and agency costs to meet the needs of incoming students.

6B. Calculating the District's Change in Total Operating Revenues and Expenditures

DATA ENTRY: All data are extracted or calculated.

Object Range / Fiscal Year	First Interim Projected Year Totals	Second Interim Projected Year Totals	Percent Change	Status
Total Federal, Other State, and Other Local Revenue (Section 6A)				
Current Year (2011-12)	19,359,145.00	20,063,157.00	3.6%	Met
1st Subsequent Year (2012-13)	17,770,191.00	17,840,861.00	0.4%	Met
2nd Subsequent Year (2013-14)	19,431,662.00	14,379,960.00	-26.0%	Not Met
Total Books and Supplies, and Services and Other Operating Expenditures (Section 6A)				
Current Year (2011-12)	15,902,381.00	17,009,786.00	7.0%	Not Met
1st Subsequent Year (2012-13)	14,354,072.00	14,004,272.00	-2.4%	Met
2nd Subsequent Year (2013-14)	14,328,072.00	13,574,272.00	-5.3%	Not Met

6C. Comparison of District Total Operating Revenues and Expenditures to the Standard Percentage Range

DATA ENTRY: Explanations are linked from Section 6A if the status in Section 6B is Not Met; no entry is allowed below.

- 1a. STANDARD NOT MET - One or more projected operating revenue have changed since first interim projections by more than the standard in one or more of the current year or two subsequent fiscal years. Reasons for the projected change, descriptions of the methods and assumptions used in the projections, and what changes, if any, will be made to bring the projected operating revenues within the standard must be entered in Section 6A above and will also display in the explanation box below.

Explanation:

Federal Revenue
(linked from 6A
if NOT met)

Explanation:

Other State Revenue
(linked from 6A
if NOT met)

In 2011-12, State Revenue has been increased at 2nd Interim by \$444K, due primarily to the addition of State Mental Health Funding. The allocation amounts were not known at 1st Interim. In 2013-14, State Revenue is reduced by \$3.8M due to the effects of the Governor's Proposed 2012-13 budget and the impact on the Basic Aid "Fair Share" reductions and excess tax in subsequent years.

Explanation:

Other Local Revenue
(linked from 6A
if NOT met)

In 2013-14, Local Revenue is increased by \$314K. This increase is for additional Special Ed funding from the SELPA, due to an agreed upon equalization plan with a 3-year implementation plan beginning in 2013-14.

- 1b. STANDARD NOT MET - One or more total operating expenditures have changed since first interim projections by more than the standard in one or more of the current year or two subsequent fiscal years. Reasons for the projected change, descriptions of the methods and assumptions used in the projections, and what changes, if any, will be made to bring the projected operating revenues within the standard must be entered in Section 6A above and will also display in the explanation box below.

Explanation:

Books and Supplies
(linked from 6A
if NOT met)

The 2011-12 increase in Books and Supplies is due to the receipt of additional donations and other local revenue. These funds are budgeted as revenue and expenses as they are received. This increase continues in both local revenue and expenses in the subsequent years.

Explanation:

Services and Other Exps
(linked from 6A
if NOT met)

The 2011-12 increase in Services and Other Operating Expenditures is due to additional non-public school and agency costs to meet the needs of incoming students.

7. CRITERION: Facilities Maintenance

STANDARD: Identify changes that have occurred since first interim projections in the projected contributions for facilities maintenance funding as required pursuant to Education Code sections 17584 (Deferred Maintenance) and 17070.75 (Ongoing and Major Maintenance Account).

7A. Determining the District's Compliance with the Contribution Requirement for EC Section 17584 - Deferred Maintenance

NOTE: SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011), eliminates the local match requirement for Deferred Maintenance from 2008-09 through 2014-15. Therefore, this section has been inactivated for that period.

7B. Determining the District's Compliance with the Contribution Requirement for EC Section 17070.75 as modified by Section 17070.766 and amended by SB 70 (Chapter 7, Statutes of 2011), effective 2008-09 through 2014-15 - Ongoing and Major Maintenance/Restricted Maintenance Account (OMMA/RMA)

NOTE: SB 70 (Chapter 7, Statutes of 2011) extends EC Section 17070.766 from 2008-09 through 2014-15. EC Section 17070.766 reduced the contributions required by EC Section 17070.75 from 3 percent to 1 percent. Therefore, the calculation in this section has been revised accordingly for that period.

DATA ENTRY: Budget Adoption and First Interim data that exist will be extracted; otherwise, enter Budget Adoption and First Interim data into lines 1 and 2 as applicable. All other data are extracted.

	Budget Adoption 1% Required Minimum Contribution (Form 01CSI, Item 7B1)	Second Interim Contribution Projected Year Totals (Fund 01, Resource 8150, Objects 8900-8999)	Status
1. OMMA/RMA Contribution	992,342.01	2,306,024.00	Met
2. First Interim Contribution (information only) (Form 01CSI, First Interim, Criterion 7B, Line 1)		2,315,712.00	

If status is not met, enter an X in the box that best describes why the minimum required contribution was not made

- Not applicable (district does not participate in the Leroy F. Green School Facilities Act of 1998)
- Exempt (due to district's small size [EC Section 17070.75 (b)(2)(D)])
- Other (explanation must be provided)

Explanation:
(required if NOT met
and Other is marked)

8. CRITERION: Deficit Spending

STANDARD: Unrestricted deficit spending (total unrestricted expenditures and other financing uses is greater than total unrestricted revenues and other financing sources) as a percentage of total unrestricted expenditures and other financing uses, has not exceeded one-third of the district's available reserves¹ as a percentage of total expenditures and other financing uses² in any of the current fiscal year or two subsequent fiscal years.

¹Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

²A school district that is the Administrative Unit of a Special Education Local Plan Area (SELPA) may exclude from its expenditures the distribution of funds to its participating members.

8A. Calculating the District's Deficit Spending Standard Percentage Levels

DATA ENTRY: All data are extracted or calculated.

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
District's Available Reserve Percentages (Criterion 10C, Line 9)	9.8%	12.0%	7.2%
District's Deficit Spending Standard Percentage Levels (one-third of available reserve percentage):	3.3%	4.0%	2.4%

8B. Calculating the District's Deficit Spending Percentages

DATA ENTRY: Current Year data are extracted. If Form MYPI exists, data for the two subsequent years will be extracted; if not, enter data for the two subsequent years into the first and second columns.

Fiscal Year	Projected Year Totals			Deficit Spending Level (If Net Change in Unrestricted Fund Balance is negative, else N/A)	Status
	Net Change in Unrestricted Fund Balance (Form 011, Section E) (Form MYPI, Line C)	Total Unrestricted Expenditures and Other Financing Uses (Form 011, Objects 1000-7999) (Form MYPI, Line B11)			
Current Year (2011-12)	(3,790,873.00)	75,089,681.00		5.0%	Not Met
1st Subsequent Year (2012-13)	(2,008,488.00)	74,427,372.00		2.7%	Met
2nd Subsequent Year (2013-14)	(4,694,909.00)	75,421,959.00		6.2%	Not Met

8C. Comparison of District Deficit Spending to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD NOT MET - Unrestricted deficit spending has exceeded the standard percentage level in any of the current year or two subsequent fiscal years. Provide reasons for the deficit spending, a description of the methods and assumptions used in balancing the unrestricted budget, and what changes will be made to ensure that the budget deficits are eliminated or are balanced within the standard.

Explanation:
(required if NOT met)

Due to the continuing state economic circumstances, the district has had to use reserves to sustain programs. However, the district continues to make reductions and monitor programs to maintain a balanced budget.

9. CRITERION: Fund and Cash Balances

A. FUND BALANCE STANDARD: Projected general fund balance will be positive at the end of the current fiscal year and two subsequent fiscal years.

9A-1. Determining if the District's General Fund Ending Balance is Positive

DATA ENTRY: Current Year data are extracted. If Form MYPI exists, data for the two subsequent years will be extracted; if not, enter data for the two subsequent years.

Fiscal Year	Ending Fund Balance General Fund Projected Year Totals (Form 011, Line F2.) (Form MYPI, Line D2)	Status
Current Year (2011-12)	10,888,747.35	Met
1st Subsequent Year (2012-13)	8,879,864.00	Met
2nd Subsequent Year (2013-14)	4,184,555.00	Met

9A-2. Comparison of the District's Ending Fund Balance to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Projected general fund ending balance is positive for the current fiscal year and two subsequent fiscal years.

Explanation:
(required if NOT met)

B. CASH BALANCE STANDARD: Projected general fund cash balance will be positive at the end of the current fiscal year.

9B-1. Determining if the District's Ending Cash Balance is Positive

DATA ENTRY: If Form CASH exists, data will be extracted; if not, data must be entered below.

Fiscal Year	Ending Cash Balance General Fund (Form CASH, Line F, June Column)	Status
Current Year (2011-12)	8,007,912.00	Met

9B-2. Comparison of the District's Ending Cash Balance to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Projected general fund cash balance will be positive at the end of the current fiscal year.

Explanation:
(required if NOT met)

10. CRITERION: Reserves

STANDARD: Available reserves¹ for any of the current fiscal year or two subsequent fiscal years are not less than the following percentages or amounts² as applied to total expenditures and other financing uses³:

Percentage Level	District ADA		
5% or \$60,000 (greater of)	0	to	300
4% or \$60,000 (greater of)	301	to	1,000
3%	1,001	to	30,000
2%	30,001	to	400,000
1%	400,001	and	over

¹ Available reserves are the unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and Special Reserve Fund for Other Than Capital Outlay Projects. Available reserves will be reduced by any negative ending balances in restricted resources in the General Fund.

² Dollar amounts to be adjusted annually by the prior year statutory cost-of-living adjustment (Education Code Section 42238), rounded to the nearest thousand.

³ A school district that is the Administrative Unit (AU) of a Special Education Local Plan Area (SELPA) may exclude from its expenditures the distribution of funds to its participating members.

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
District Estimated P-2 ADA (Criterion 3, Item 3B)	11,957	11,945	11,945
District's Reserve Standard Percentage Level:	3%	3%	3%

10A. Calculating the District's Special Education Pass-through Exclusions (only for districts that serve as the AU of a SELPA)

DATA ENTRY: For SELPA AUs, if Form MYPI exists, all data will be extracted including the Yes/No button selection. If not, click the appropriate Yes or No button for item 1 and, if Yes, enter data for item 2a and for the two subsequent years in item 2b; Current Year data are extracted.

For districts that serve as the AU of a SELPA (Form MYPI, Lines F1a, F1b1, and F1b2):

1. Do you choose to exclude from the reserve calculation the pass-through funds distributed to SELPA members?
2. If you are the SELPA AU and are excluding special education pass-through funds:
 - a. Enter the name(s) of the SELPA(s): _____

- b. Special Education Pass-through Funds
(Fund 10, resources 3300-3499 and 6500-6540,
objects 7211-7213 and 7221-7223)

	Current Year Projected Year Totals (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
	0.00		

10B. Calculating the District's Reserve Standard

DATA ENTRY: If Form MYPI exists, all data will be extracted or calculated. If not, enter data for line 1 for the two subsequent years; Current Year data are extracted.

	Current Year Projected Year Totals (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
1. Expenditures and Other Financing Uses (Form 011, objects 1000-7999) (Form MYPI, Line B11)	102,426,723.00	98,218,035.00	99,370,241.00
2. Plus: Special Education Pass-through (Criterion 10A, Line 2b, if Criterion 10A, Line 1 is No)	0.00		
3. Total Expenditures and Other Financing Uses (Line B1 plus Line B2)	102,426,723.00	98,218,035.00	99,370,241.00
4. Reserve Standard Percentage Level	3%	3%	3%
5. Reserve Standard - by Percent (Line B3 times Line B4)	3,072,801.69	2,946,541.05	2,981,107.23
6. Reserve Standard - by Amount (\$60,000 for districts with less than 1,001 ADA, else 0)	0.00	0.00	0.00
7. District's Reserve Standard (Greater of Line B5 or Line B6)	3,072,801.69	2,946,541.05	2,981,107.23

10C. Calculating the District's Available Reserve Amount

DATA ENTRY: All data are extracted from fund data and Form MYPI. If Form MYPI does not exist, enter data for the two subsequent years. If Fund 17 does not exist, enter data for the current and two subsequent years, as appropriate.

Reserve Amounts (Unrestricted resources 0000-1999 except Line 4)	Current Year Projected Year Totals (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
1. General Fund - Stabilization Arrangements (Fund 01, Object 9750) (Form MYPI, Line E1a)	0.00		
2. General Fund - Reserve for Economic Uncertainties (Fund 01, Object 9789) (Form MYPI, Line E1b)	7,634,945.40		
3. General Fund - Unassigned/Unappropriated Amount (Fund 01, Object 9790) (Form MYPI, Line E1c)	0.00	9,286,419.00	4,619,771.00
4. General Fund - Negative Ending Balances in Restricted Resources (Fund 01, Object 979Z, if negative, for each of resources 2000-9999) (Form MYPI, Line E1d)	(0.33)		
5. Special Reserve Fund - Stabilization Arrangements (Fund 17, Object 9750) (Form MYPI, Line E2a)	0.00		
6. Special Reserve Fund - Reserve for Economic Uncertainties (Fund 17, Object 9789) (Form MYPI, Line E2b)	2,446,742.45		
7. Special Reserve Fund - Unassigned/Unappropriated Amount (Fund 17, Object 9790) (Form MYPI, Line E2c)	0.00	2,500,494.00	2,525,499.00
8. District's Available Reserve Amount (Lines C1 thru C7)	10,081,687.52	11,786,913.00	7,145,270.00
9. District's Available Reserve Percentage (Information only) (Line 8 divided by Section 10B, Line 3)	9.84%	12.00%	7.19%
District's Reserve Standard (Section 10B, Line 7):	3,072,801.69	2,946,541.05	2,981,107.23
Status:	Met	Met	Met

10D. Comparison of District Reserve Amount to the Standard

DATA ENTRY: Enter an explanation if the standard is not met.

- 1a. STANDARD MET - Available reserves have met the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

SUPPLEMENTAL INFORMATION

DATA ENTRY: Click the appropriate Yes or No button for items S1 through S4. Enter an explanation for each Yes answer

S1. Contingent Liabilities

1a. Does your district have any known or contingent liabilities (e.g., financial or program audits, litigation, state compliance reviews) that have occurred since first interim projections that may impact the budget?

1b. If Yes, identify the liabilities and how they may impact the budget:

S2. Use of One-time Revenues for Ongoing Expenditures

1a. Does your district have ongoing general fund expenditures funded with one-time revenues that have changed since first interim projections by more than five percent?

1b. If Yes, identify the expenditures and explain how the one-time resources will be replaced to continue funding the ongoing expenditures in the following fiscal years:

S3. Temporary Interfund Borrowings

1a. Does your district have projected temporary borrowings between funds?
(Refer to Education Code Section 42603)

1b. If Yes, identify the interfund borrowings:

S4. Contingent Revenues

1a. Does your district have projected revenues for the current fiscal year or either of the two subsequent fiscal years contingent on reauthorization by the local government, special legislation, or other definitive act (e.g., parcel taxes, forest reserves)?

1b. If Yes, identify any of these revenues that are dedicated for ongoing expenses and explain how the revenues will be replaced or expenditures reduced

S5. Contributions

Identify projected contributions from unrestricted resources in the general fund to restricted resources in the general fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if contributions have changed by more than \$20,000 and more than five percent since first interim projections.

Identify projected transfers to or from the general fund to cover operating deficits in either the general fund or any other fund for the current fiscal year and two subsequent fiscal years. Provide an explanation if transfers have changed by more than \$20,000 and more than five percent since first interim projections.

Identify capital project cost overruns that have occurred since first interim projections that may impact the general fund budget.

District's Contributions and Transfers Standard: -5.0% to +5.0%
or -\$20,000 to +\$20,000

S5A. Identification of the District's Projected Contributions, Transfers, and Capital Projects that may Impact the General Fund

DATA ENTRY: First Interim data that exist will be extracted; otherwise, enter data into the first column. Enter data into the second column, except for Current Year Contributions, which are extracted.

Description / Fiscal Year	First Interim (Form 01CSI, Item S5A)	Second Interim Projected Year Totals	Percent Change	Amount of Change	Status
1a. Contributions, Unrestricted General Fund (Fund 01, Resources 0000-1999, Object 8980)					
Current Year (2011-12)	(12,110,002.00)	(12,230,236.00)	1.0%	120,234.00	Met
1st Subsequent Year (2012-13)	(12,110,002.00)	(11,555,124.00)	-4.6%	(554,878.00)	Met
2nd Subsequent Year (2013-14)	(12,110,002.00)	(11,010,166.00)	-9.1%	(1,099,836.00)	Not Met
1b. Transfers In, General Fund *					
Current Year (2011-12)	0.00	0.00	0.0%	0.00	Met
1st Subsequent Year (2012-13)	0.00	0.00	0.0%	0.00	Met
2nd Subsequent Year (2013-14)	0.00	0.00	0.0%	0.00	Met
1c. Transfers Out, General Fund *					
Current Year (2011-12)	44,600.00	44,600.00	0.0%	0.00	Met
1st Subsequent Year (2012-13)	44,600.00	44,600.00	0.0%	0.00	Met
2nd Subsequent Year (2013-14)	44,600.00	44,600.00	0.0%	0.00	Met

1d. Capital Project Cost Overruns

Have capital project cost overruns occurred since first interim projections that may impact the general fund operational budget?

No

* Include transfers used to cover operating deficits in either the general fund or any other fund.

S5B. Status of the District's Projected Contributions, Transfers, and Capital Projects

DATA ENTRY: Enter an explanation if Not Met for items 1a-1c or if Yes for Item 1d.

1a. NOT MET - The projected contributions from the unrestricted general fund to restricted general fund programs have changed since first interim projections by more than the standard for any of the current year or subsequent two fiscal years. Identify restricted programs and contribution amount for each program and whether contributions are ongoing or one-time in nature. Explain the district's plan, with timeframes, for reducing or eliminating the contribution.

Explanation:
(required if NOT met)

The district has focused on reducing the Special Education encroachment and expects to have reductions by the 2013-14 year. In order to reduce the expense for non-public school while not reducing services, the district plans to open an alternative program with the district.

1b. MET - Projected transfers in have not changed since first interim projections by more than the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

1c. MET - Projected transfers out have not changed since first interim projections by more than the standard for the current year and two subsequent fiscal years.

Explanation:
(required if NOT met)

1d. NO - There have been no capital project cost overruns occurring since first interim projections that may impact the general fund operational budget.

Project Information:
(required if YES)

S6. Long-term Commitments

Identify all existing and new multiyear commitments¹ and their annual required payment for the current fiscal year and two subsequent fiscal years.

Explain how any increase in annual payments will be funded. Also, explain how any decrease to funding sources used to pay long-term commitments will be replaced.

¹ Include multiyear commitments, multiyear debt agreements, and new programs or contracts that result in long-term obligations.

S6A. Identification of the District's Long-term Commitments

DATA ENTRY: If First Interim data exist (Form 01CSI, Item S6A), long-term commitment data will be extracted and it will only be necessary to click the appropriate button for Item 1b. Extracted data may be overwritten to update long-term commitment data in Item 2, as applicable. If no First Interim data exist, click the appropriate buttons for items 1a and 1b, and enter all other data, as applicable.

1. a. Does your district have long-term (multiyear) commitments?
(If No, skip items 1b and 2 and sections S6B and S6C) Yes
- b. If Yes to Item 1a, have new long-term (multiyear) commitments been incurred since first interim projections? No
2. If Yes to Item 1a, list (or update) all new and existing multiyear commitments and required annual debt service amounts. Do not include long-term commitments for postemployment benefits other than pensions (OPEB); OPEB is disclosed in Item S7A.

Type of Commitment	# of Years Remaining	SACS Fund and Object Codes Used For:		Principal Balance as of July 1, 2011
		Funding Sources (Revenues)	Debt Service (Expenditures)	
Capital Leases				
Certificates of Participation				
General Obligation Bonds				
Supp Early Retirement Program				
State School Building Loans	10	State CTE Loan	Capital Facilities / 7438 / 7439	3,000,000
Compensated Absences				

Other Long-term Commitments (do not include OPEB):

Type of Commitment	# of Years Remaining	Funding Sources (Revenues)	Debt Service (Expenditures)	Principal Balance as of July 1, 2011
Special Tax Revenue Bond	31	Special Tax Revenue	Special Tax Revenue 7438 / 7439	83,560,000
Qualified School Construction Bond	16	General Fund-Fed Subsidy/State Energy Savings	General Fund 7438 / 7439	12,249,412

Type of Commitment (continued)	Prior Year (2010-11)	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
	Annual Payment (P & I)	Annual Payment (P & I)	Annual Payment (P & I)	Annual Payment (P & I)
Capital Leases				
Certificates of Participation				
General Obligation Bonds				
Supp Early Retirement Program				
State School Building Loans		343,982	343,982	343,982
Compensated Absences	1,110,000	1,110,000	1,110,000	1,110,000

Other Long-term Commitments (continued):

Type of Commitment	Prior Year (2010-11)	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Special Tax Revenue Bond	5,740,724	5,738,624	5,738,624	5,738,624
Qualified School Construction Bond	1,589,623	1,610,639	1,605,639	1,605,639
Total Annual Payments:	8,440,347	8,803,245	8,798,245	8,798,245
Has total annual payment increased over prior year (2010-11)?		Yes	Yes	Yes

S6B. Comparison of the District's Annual Payments to Prior Year Annual Payment

DATA ENTRY: Enter an explanation if Yes.

- 1a. Yes - Annual payments for long-term commitments have increased in one or more of the current or two subsequent fiscal years. Explain how the increase in annual payments will be funded.

Explanation:
(Required if Yes
to increase in total
annual payments)

Annual payments will be paid out of ongoing revenue.

S6C. Identification of Decreases to Funding Sources Used to Pay Long-term Commitments

DATA ENTRY: Click the appropriate Yes or No button in Item 1; if Yes, an explanation is required in Item 2.

1. Will funding sources used to pay long-term commitments decrease or expire prior to the end of the commitment period, or are they one-time sources?

No

2. No - Funding sources will not decrease or expire prior to the end of the commitment period, and one-time funds are not being used for long-term commitment.

Explanation:
(Required if Yes)

S7. Unfunded Liabilities

Identify any changes in estimates for unfunded liabilities since first interim projections, and indicate whether the changes are the result of a new actuarial valuation.

S7A. Identification of the District's Estimated Unfunded Liability for Postemployment Benefits Other Than Pensions (OPEB)

DATA ENTRY: Click the appropriate button(s) for items 1a-1c, as applicable. First Interim data that exist (Form 01CSI, Item S7A) will be extracted; otherwise, enter First Interim and Second Interim data in items 2-4.

1. a. Does your district provide postemployment benefits other than pensions (OPEB)? (If No, skip items 1b-4)

Yes

b. If Yes to Item 1a, have there been changes since first interim in OPEB liabilities?

No

c. If Yes to Item 1a, have there been changes since first interim in OPEB contributions?

--

2. OPEB Liabilities

	First Interim (Form 01CSI, Item S7A)	Second Interim
a. OPEB actuarial accrued liability (AAL)	15,210,567.00	15,210,567.00
b. OPEB unfunded actuarial accrued liability (UAAL)	15,210,567.00	15,210,567.00
c. Are AAL and UAAL based on the district's estimate or an actuarial valuation?	Actuarial	Actuarial
d. If based on an actuarial valuation, indicate the date of the OPEB valuation.	Jun 30, 2011	Jun 30, 2011

3. OPEB Contributions

	First Interim (Form 01CSI, Item S7A)	Second Interim
a. OPEB annual required contribution (ARC) per actuarial valuation or Alternative Measurement Method		
Current Year (2011-12)	2,202,052.00	2,202,052.00
1st Subsequent Year (2012-13)	2,260,217.00	2,260,217.00
2nd Subsequent Year (2013-14)	2,260,217.00	2,260,217.00
b. OPEB amount contributed (for this purpose, include premiums paid to a self-insurance fund) (Funds 01-70, objects 3701-3752)		
Current Year (2011-12)	1,349,989.00	1,465,991.00
1st Subsequent Year (2012-13)	1,457,988.00	1,457,988.00
2nd Subsequent Year (2013-14)	1,574,627.00	1,574,627.00
c. Cost of OPEB benefits (equivalent of "pay-as-you-go" amount)		
Current Year (2011-12)	771,101.00	771,101.00
1st Subsequent Year (2012-13)	832,789.00	832,789.00
2nd Subsequent Year (2013-14)	899,412.00	899,412.00
d. Number of retirees receiving OPEB benefits		
Current Year (2011-12)	114	114
1st Subsequent Year (2012-13)	120	120
2nd Subsequent Year (2013-14)	120	120

4. Comments:

S7B. Identification of the District's Unfunded Liability for Self-insurance Programs

DATA ENTRY: Click the appropriate button(s) for items 1a-1c, as applicable. First Interim data that exist (Form 01CSI, Item S7B) will be extracted; otherwise, enter First Interim and Second Interim data in items 2-4.

- 1. a. Does your district operate any self-insurance programs such as workers' compensation, employee health and welfare, or property and liability? (Do not include OPEB; which is covered in Section S7A) (If No, skip items 1b-4)

No

- b. If Yes to item 1a, have there been changes since first interim in self-insurance liabilities?

n/a

- c. If Yes to item 1a, have there been changes since first interim in self-insurance contributions?

n/a

	First Interim (Form 01CSI, Item S7B)	Second Interim
2. Self-Insurance Liabilities		
a. Accrued liability for self-insurance programs		
b. Unfunded liability for self-insurance programs		

	First Interim (Form 01CSI, Item S7B)	Second Interim
3. Self-Insurance Contributions		
a. Required contribution (funding) for self-insurance programs		
Current Year (2011-12)		
1st Subsequent Year (2012-13)		
2nd Subsequent Year (2013-14)		
b. Amount contributed (funded) for self-insurance programs		
Current Year (2011-12)		
1st Subsequent Year (2012-13)		
2nd Subsequent Year (2013-14)		

4. Comments:

S8. Status of Labor Agreements

Analyze the status of employee labor agreements. Identify new labor agreements that have been ratified since first interim projections, as well as new commitments provided as part of previously ratified multiyear agreements; and include all contracts, including all administrator contracts (and including all compensation). For new agreements, indicate the date of the required board meeting. Compare the increase in new commitments to the projected increase in ongoing revenues and explain how these commitments will be funded in future fiscal years.

If salary and benefit negotiations are not finalized, upon settlement with certificated or classified staff:

The school district must determine the cost of the settlement, including salaries, benefits, and any other agreements that change costs, and provide the county office of education (COE) with an analysis of the cost of the settlement and its impact on the operating budget.

The county superintendent shall review the analysis relative to the criteria and standards and may provide written comments to the president of the district governing board and superintendent.

S8A. Cost Analysis of District's Labor Agreements - Certificated (Non-management) Employees

DATA ENTRY: Click the appropriate Yes or No button for "Status of Certificated Labor Agreements as of the Previous Reporting Period." If Yes, nothing further is needed for section S8A. If No, enter data, as applicable, in the remainder of section S8A; there are no extractions in this section.

Status of Certificated Labor Agreements as of the Previous Reporting Period

Were all certificated labor negotiations settled as of first interim projections?

If Yes, skip to section S8B.

If No, continue with section S8A.

Certificated (Non-management) Salary and Benefit Negotiations

	Prior Year (2nd Interim) (2010-11)	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Number of certificated (non-management) full-time-equivalent (FTE) positions	513.8	523.8	523.8	523.8

1a. Have any salary and benefit negotiations been settled since first interim projections?

If Yes, and the corresponding public disclosure documents have been filed with the COE, complete questions 2 and 3.

If Yes, and the corresponding public disclosure documents have not been filed with the COE, complete questions 2-5.

If No, complete questions 6 and 7.

1b. Are any salary and benefit negotiations still unsettled?

If Yes, complete questions 6 and 7.

Negotiations Settled Since First Interim Projections

2a. Per Government Code Section 3547.5(a), date of public disclosure board meeting:

2b. Per Government Code Section 3547.5(b), was the collective bargaining agreement certified by the district superintendent and chief business official?

If Yes, date of Superintendent and CBO certification:

3. Per Government Code Section 3547.5(c), was a budget revision adopted to meet the costs of the collective bargaining agreement?

If Yes, date of budget revision board adoption:

4. Period covered by the agreement:

Begin Date:

End Date:

5. Salary settlement:

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
--	---------------------------	----------------------------------	----------------------------------

Is the cost of salary settlement included in the interim and multiyear projections (MYPs)?

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

One Year Agreement

Total cost of salary settlement

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

% change in salary schedule from prior year
or

<input type="text"/>

Multiyear Agreement

Total cost of salary settlement

<input type="text"/>	<input type="text"/>	<input type="text"/>
----------------------	----------------------	----------------------

% change in salary schedule from prior year
(may enter text, such as "Reopener")

<input type="text"/>	<input type="text"/>	<input type="text"/>
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Identify the source of funding that will be used to support multiyear salary commitments:

Negotiations Not Settled

6. Cost of a one percent increase in salary and statutory benefits

--

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
---------------------------	----------------------------------	----------------------------------

7. Amount included for any tentative salary schedule increases

--	--	--

Certificated (Non-management) Health and Welfare (H&W) Benefits

- Are costs of H&W benefit changes included in the interim and MYPs?
- Total cost of H&W benefits
- Percent of H&W cost paid by employer
- Percent projected change in H&W cost over prior year

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Certificated (Non-management) Prior Year Settlements Negotiated Since First Interim Projections

Are any new costs negotiated since first interim projections for prior year settlements included in the interim?

If Yes, amount of new costs included in the interim and MYPs
If Yes, explain the nature of the new costs:

--

Certificated (Non-management) Step and Column Adjustments

- Are step & column adjustments included in the interim and MYPs?
- Cost of step & column adjustments
- Percent change in step & column over prior year

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Certificated (Non-management) Attrition (layoffs and retirements)

- Are savings from attrition included in the budget and MYPs?
- Are additional H&W benefits for those laid-off or retired employees included in the interim and MYPs?

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Certificated (Non-management) - Other

List other significant contract changes that have occurred since first interim projections and the cost impact of each change (i.e., class size, hours of employment, leave of absence, bonuses, etc.):

S8B. Cost Analysis of District's Labor Agreements - Classified (Non-management) Employees

DATA ENTRY: Click the appropriate Yes or No button for "Status of Classified Labor Agreements as of the Previous Reporting Period." If Yes, nothing further is needed for section S8B. If No, enter data, as applicable, in the remainder of section S8B; there are no extractions in this section.

Status of Classified Labor Agreements as of the Previous Reporting Period

Were all classified labor negotiations settled as of first interim projections?
If Yes, skip to section S8C.
If No, continue with section S8B.

Yes

Classified (Non-management) Salary and Benefit Negotiations

	Prior Year (2nd Interim) (2010-11)	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Number of classified (non-management) FTE positions	326.3	321.0	321.0	321.0

1a. Have any salary and benefit negotiations been settled since first interim projections?

n/a

If Yes, and the corresponding public disclosure documents have been filed with the COE, complete questions 2 and 3.
If Yes, and the corresponding public disclosure documents have not been filed with the COE, complete questions 2-5.
If No, complete questions 6 and 7.

1b. Are any salary and benefit negotiations still unsettled?

No

If Yes, complete questions 6 and 7.

Negotiations Settled Since First Interim Projections

2a. Per Government Code Section 3547.5(a), date of public disclosure board meeting:

[]

2b. Per Government Code Section 3547.5(b), was the collective bargaining agreement certified by the district superintendent and chief business official?

[]

If Yes, date of Superintendent and CBO certification:

[]

3. Per Government Code Section 3547.5(c), was a budget revision adopted to meet the costs of the collective bargaining agreement?

n/a

If Yes, date of budget revision board adoption:

[]

4. Period covered by the agreement:

Begin Date: []

End Date: []

5. Salary settlement:

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Is the cost of salary settlement included in the interim and multiyear projections (MYPs)?	[]	[]	[]

One Year Agreement

Total cost of salary settlement

[] [] []

% change in salary schedule from prior year
or

[] [] []

Multiyear Agreement

Total cost of salary settlement

[] [] []

% change in salary schedule from prior year
(may enter text, such as "Reopener")

[] [] []

Identify the source of funding that will be used to support multiyear salary commitments:

[]

Negotiations Not Settled

6. Cost of a one percent increase in salary and statutory benefits

[]

7. Amount included for any tentative salary schedule increases

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
	[]	[]	[]

Classified (Non-management) Health and Welfare (H&W) Benefits

1. Are costs of H&W benefit changes included in the interim and MYPs?
2. Total cost of H&W benefits
3. Percent of H&W cost paid by employer
4. Percent projected change in H&W cost over prior year

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Classified (Non-management) Prior Year Settlements Negotiated Since First Interim

Are any new costs negotiated since first interim for prior year settlements included in the interim?

- If Yes, amount of new costs included in the interim and MYPs
If Yes, explain the nature of the new costs:

Classified (Non-management) Step and Column Adjustments

1. Are step & column adjustments included in the interim and MYPs?
2. Cost of step & column adjustments
3. Percent change in step & column over prior year

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Classified (Non-management) Attrition (layoffs and retirements)

1. Are savings from attrition included in the interim and MYPs?
2. Are additional H&W benefits for those laid-off or retired employees included in the interim and MYPs?

Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Classified (Non-management) - Other

List other significant contract changes that have occurred since first interim and the cost impact of each (i.e., hours of employment, leave of absence, bonuses, etc.):

S8C. Cost Analysis of District's Labor Agreements - Management/Supervisor/Confidential Employees

DATA ENTRY: Click the appropriate Yes or No button for "Status of Management/Supervisor/Confidential Labor Agreements as of the Previous Reporting Period." If Yes or n/a, nothing further is needed for section S8C. If No, enter data, as applicable, in the remainder of section S8C; there are no extractions in this section.

Status of Management/Supervisor/Confidential Labor Agreements as of the Previous Reporting Period

Were all managerial/confidential labor negotiations settled as of first interim projections?
If Yes or n/a, skip to S9.
If No, continue with section S8C.

Management/Supervisor/Confidential Salary and Benefit Negotiations

	Prior Year (2nd Interim) (2010-11)	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Number of management, supervisor, and confidential FTE positions	58.9	57.7	57.7	57.7

1a. Have any salary and benefit negotiations been settled since first interim projections?
If Yes, complete question 2.
If No, complete questions 3 and 4.

1b. Are any salary and benefit negotiations still unsettled?
If Yes, complete questions 3 and 4.

Negotiations Settled Since First Interim Projections

2. Salary settlement:

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
Is the cost of salary settlement included in the interim and multiyear projections (MYPs)?			
Total cost of salary settlement			
Change in salary schedule from prior year (may enter text, such as "Reopener")			

Negotiations Not Settled

3. Cost of a one percent increase in salary and statutory benefits

4. Amount included for any tentative salary schedule increases

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)

Management/Supervisor/Confidential Health and Welfare (H&W) Benefits

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
1. Are costs of H&W benefit changes included in the interim and MYPs?			
2. Total cost of H&W benefits			
3. Percent of H&W cost paid by employer			
4. Percent projected change in H&W cost over prior year			

Management/Supervisor/Confidential Step and Column Adjustments

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
1. Are step & column adjustments included in the budget and MYPs?			
2. Cost of step & column adjustments			
3. Percent change in step and column over prior year			

Management/Supervisor/Confidential Other Benefits (mileage, bonuses, etc.)

	Current Year (2011-12)	1st Subsequent Year (2012-13)	2nd Subsequent Year (2013-14)
1. Are costs of other benefits included in the interim and MYPs?			
2. Total cost of other benefits			
3. Percent change in cost of other benefits over prior year			

S9. Status of Other Funds

Analyze the status of other funds that may have negative fund balances at the end of the current fiscal year. If any other fund has a projected negative fund balance, prepare an interim report and multiyear projection for that fund. Explain plans for how and when the negative fund balance will be addressed.

S9A. Identification of Other Funds with Negative Ending Fund Balances

DATA ENTRY: Click the appropriate button in Item 1. If Yes, enter data in Item 2 and provide the reports referenced in Item 1.

1. Are any funds other than the general fund projected to have a negative fund balance at the end of the current fiscal year?

Yes

If Yes, prepare and submit to the reviewing agency a report of revenues, expenditures, and changes in fund balance (e.g., an interim fund report) and a multiyear projection report for each fund.

2. If Yes, identify each fund, by name and number, that is projected to have a negative ending fund balance for the current fiscal year. Provide reasons for the negative balance(s) and explain the plan for how and when the problem(s) will be corrected.

Fund 67-17 used for OPEB continues to have a negative fund balance. This is due to the accrual of the net OPEB obligation, as the district continues to fund retirement benefits on a pay-as-you-go basis. This fund does not have a negative cash balance.

ADDITIONAL FISCAL INDICATORS

The following fiscal indicators are designed to provide additional data for reviewing agencies. A "Yes" answer to any single indicator does not necessarily suggest a cause for concern, but may alert the reviewing agency to the need for additional review.

DATA ENTRY: Click the appropriate Yes or No button for items A2 through A9; Item A1 is automatically completed based on data from Criterion 9.

- A1. Do cash flow projections show that the district will end the current fiscal year with a negative cash balance in the general fund? (Data from Criterion 9B-1, Cash Balance, are used to determine Yes or No)

- A2. Is the system of personnel position control independent from the payroll system?

- A3. Is enrollment decreasing in both the prior and current fiscal years?

- A4. Are new charter schools operating in district boundaries that impact the district's enrollment, either in the prior or current fiscal year?

- A5. Has the district entered into a bargaining agreement where any of the current or subsequent fiscal years of the agreement would result in salary increases that are expected to exceed the projected state funded cost-of-living adjustment?

- A6. Does the district provide uncapped (100% employer paid) health benefits for current or retired employees?

- A7. Is the district's financial system independent of the county office system?

- A8. Does the district have any reports that indicate fiscal distress pursuant to Education Code Section 42127.6(a)? (If Yes, provide copies to the county office of education.)

- A9. Have there been personnel changes in the superintendent or chief business official positions within the last 12 months?

When providing comments for additional fiscal indicators, please include the item number applicable to each comment.

Comments:
(optional)

End of School District Second Interim Criteria and Standards Review

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	76,473,115.00	76,473,115.00	43,494,610.66	76,473,115.00	0.00	0.0%
2) Federal Revenue		8100-8299	744,649.00	757,278.00	380,953.03	757,278.00	0.00	0.0%
3) Other State Revenue		8300-8599	4,160,328.00	4,353,461.00	2,237,129.13	4,353,461.00	0.00	0.0%
4) Other Local Revenue		8600-8799	1,540,100.00	1,945,190.00	1,403,296.19	1,945,190.00	0.00	0.0%
5) TOTAL, REVENUES			82,918,192.00	83,529,044.00	47,515,989.01	83,529,044.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	40,775,658.00	39,441,757.00	21,731,817.53	39,441,757.00	0.00	0.0%
2) Classified Salaries		2000-2999	9,757,230.00	9,781,184.00	5,560,058.48	9,781,184.00	0.00	0.0%
3) Employee Benefits		3000-3999	15,040,142.00	14,576,244.00	7,789,208.88	14,576,244.00	0.00	0.0%
4) Books and Supplies		4000-4999	1,899,649.00	3,256,095.00	1,262,770.25	3,256,095.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	6,727,540.00	6,827,146.00	3,530,893.57	6,827,146.00	0.00	0.0%
6) Capital Outlay		6000-6999	111,100.00	81,862.00	16,933.27	81,862.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	1,606,227.00	1,606,227.00	420,319.43	1,606,227.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(457,873.00)	(522,434.00)	(2,239.15)	(522,434.00)	0.00	0.0%
9) TOTAL, EXPENDITURES			75,459,673.00	75,048,081.00	40,309,762.26	75,048,081.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			7,458,519.00	8,480,963.00	7,206,226.75	8,480,963.00		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	41,600.00	41,600.00	0.00	41,600.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	(11,978,637.00)	(12,230,236.00)	0.00	(12,230,236.00)	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(12,020,237.00)	(12,271,836.00)	0.00	(12,271,836.00)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(4,561,718.00)	(3,790,873.00)	7,206,226.75	(3,790,873.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited								
		9791	14,679,620.40	14,679,620.40		14,679,620.40	0.00	0.0%
b) Audit Adjustments								
		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)								
			14,679,620.40	14,679,620.40		14,679,620.40		
d) Other Restatements								
		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)								
			14,679,620.40	14,679,620.40		14,679,620.40		
2) Ending Balance, June 30 (E + F1e)								
			10,117,902.40	10,888,747.40		10,888,747.40		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash								
		9711	180,000.00	180,000.00		180,000.00		
Stores								
		9712	1,000.00	1,000.00		1,000.00		
Prepaid Expenditures								
		9713	0.00	0.00		0.00		
All Others								
		9719	0.00	0.00		0.00		
b) Restricted								
		9740	0.00	0.00		0.00		
c) Committed								
Stabilization Arrangements								
		9750	0.00	0.00		0.00		
Other Commitments								
		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments								
		9780	3,067,619.00	3,072,802.00		3,072,802.00		
Basic Aid Reserve (3%)								
	0000	9780	3,067,619.00					
Basic Aid Reserve (3%)								
	0000	9780		3,072,802.00				
Basic Aid Reserve (3%)								
	0000	9780				3,072,802.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties								
		9789	6,869,283.40	7,634,945.40		7,634,945.40		
Unassigned/Unappropriated Amount								
		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
REVENUE LIMIT SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	(22,848.00)	(22,848.00)	(15,079.00)	(22,848.00)	0.00	0.0%
Charter Schools General Purpose Entitlement - State Aid		8015	0.00	0.00	0.00	0.00	0.00	0.0%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
Tax Relief Subventions								
Homeowners' Exemptions		8021	767,938.00	767,938.00	378,904.12	767,938.00	0.00	0.0%
Timber Yield Tax		8022	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8029	0.00	0.00	0.00	0.00	0.00	0.0%
County & District Taxes								
Secured Roll Taxes		8041	74,125,442.00	74,125,442.00	40,482,788.53	74,125,442.00	0.00	0.0%
Unsecured Roll Taxes		8042	2,705,664.00	2,705,664.00	2,621,615.75	2,705,664.00	0.00	0.0%
Prior Years' Taxes		8043	(1,990.00)	(1,990.00)	14,815.51	(1,990.00)	0.00	0.0%
Supplemental Taxes		8044	0.00	0.00	0.00	0.00	0.00	0.0%
Education Revenue Augmentation Fund (ERAF)		8045	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds (SB 617/699/1992)		8047	11,675.00	11,675.00	11,565.75	11,675.00	0.00	0.0%
Penalties and Interest from Delinquent Taxes		8048	0.00	0.00	0.00	0.00	0.00	0.0%
Miscellaneous Funds (EC 41604)								
Royalties and Bonuses		8081	0.00	0.00	0.00	0.00	0.00	0.0%
Other In-Lieu Taxes		8082	500.00	500.00	0.00	500.00	0.00	0.0%
Less: Non-Revenue Limit (50%) Adjustment		8089	(250.00)	(250.00)	0.00	(250.00)	0.00	0.0%
Subtotal, Revenue Limit Sources			77,586,131.00	77,586,131.00	43,494,610.66	77,586,131.00	0.00	0.0%
Revenue Limit Transfers								
Unrestricted Revenue Limit Transfers - Current Year	0000	8091	(1,100,000.00)	(1,100,000.00)	0.00	(1,100,000.00)	0.00	0.0%
Continuation Education ADA Transfer	2200	8091						
Community Day Schools Transfer	2430	8091						
Special Education ADA Transfer	6500	8091						
All Other Revenue Limit Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
PERS Reduction Transfer		8092	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	(13,016.00)	(13,016.00)	0.00	(13,016.00)	0.00	0.0%
Property Taxes Transfers		8097	0.00	0.00	0.00	0.00	0.00	0.0%
Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, REVENUE LIMIT SOURCES			76,473,115.00	76,473,115.00	43,494,610.66	76,473,115.00	0.00	0.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	0.00	0.00	0.00	0.00		
Special Education Discretionary Grants		8182	0.00	0.00	0.00	0.00		
Child Nutrition Programs		8220	0.00	0.00	0.00	0.00		
Forest Reserve Funds		8260	0.00	0.00	0.00	0.00	0.00	0.0%
Flood Control Funds		8270	0.00	0.00	0.00	0.00	0.00	0.0%
Wildlife Reserve Funds		8280	0.00	0.00	0.00	0.00	0.00	0.0%
FEMA		8281	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.00	0.00		
NCLB/IASA (incl. ARRA)	3000-3299, 4000-4139, 4201-4215, 4610, 5510	8290						

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Vocational and Applied Technology Education	3500-3699	8290						
Safe and Drug Free Schools	3700-3799	8290						
Other Federal Revenue (incl. ARRA)	All Other	8290	744,649.00	757,278.00	380,953.03	757,278.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			744,649.00	757,278.00	380,953.03	757,278.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
Community Day School Additional Funding								
Current Year	2430	8311						
Prior Years	2430	8319						
ROC/P Entitlement								
Current Year	6355-6360	8311						
Prior Years	6355-6360	8319						
Special Education Master Plan								
Current Year	6500	8311						
Prior Years	6500	8319						
Home-to-School Transportation								
Economic Impact Aid	7090-7091	8311						
Spec. Ed. Transportation	7240	8311						
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Year Round School Incentive		8425	0.00	0.00	0.00	0.00	0.00	0.0%
Class Size Reduction, K-3		8434	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	0.00	0.00	0.00	0.00		
Mandated Costs Reimbursements		8550	0.00	149,508.00	149,521.00	149,508.00	0.00	0.0%
Lottery - Unrestricted and Instructional Materials		8560	1,332,000.00	1,353,354.00	424,890.18	1,353,354.00	0.00	0.0%
Tax Relief Subventions								
Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00		
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00		
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.00	0.00	0.00	0.0%
School Based Coordination Program	7250	8590						
Drug/Alcohol/Tobacco Funds	6650-6690	8590						
Healthy Start	6240	8590						
Class Size Reduction Facilities	6200	8590						
School Community Violence Prevention Grant	7391	8590						
Quality Education Investment Act	7400	8590						
All Other State Revenue	All Other	8590	2,828,328.00	2,850,599.00	1,662,717.95	2,850,599.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			4,160,328.00	4,353,461.00	2,237,129.13	4,353,461.00	0.00	0.0%
OTHER LOCAL REVENUE								
Other Local Revenue								
County and District Taxes								
Other Restricted Levies								
Secured Roll		8615	0.00	0.00	0.00	0.00		
Unsecured Roll		8616	0.00	0.00	0.00	0.00		
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00		
Supplemental Taxes		8618	0.00	0.00	0.00	0.00		
Non-Ad Valorem Taxes								
Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds								
Not Subject to RL Deduction		8625	0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Penalties and Interest from Delinquent Non-Revenue Limit Taxes		8629	0.00	0.00	0.00	0.00		
Sales								
Sale of Equipment/Supplies		8631	10,000.00	10,000.00	4,984.12	10,000.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	219,194.00	100,000.00	173,145.50	100,000.00	0.00	0.0%
Interest		8660	400,000.00	400,000.00	271,846.53	400,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Adult Education Fees		8671	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Resident Students		8672	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	0.00	0.00	0.00	0.00		
Transportation Services	7230, 7240	8677						
Interagency Services	All Other	8677	52,296.00	52,296.00	2,549.00	52,296.00	0.00	0.0%
Mitigation/Developer Fees		8681	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	369,000.00	375,017.00	218,136.69	375,017.00	0.00	0.0%
Other Local Revenue								
Plus: Misc Funds Non-Revenue Limit (50%) Adjustment		8691	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues From Local Sources		8697	0.00	0.00	0.00	0.00		
All Other Local Revenue		8699	489,610.00	1,007,877.00	732,634.35	1,007,877.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers Of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791						
From County Offices	6500	8792						
From JPAs	6500	8793						
ROC/P Transfers								
From Districts or Charter Schools	6360	8791						
From County Offices	6360	8792						
From JPAs	6360	8793						
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			1,540,100.00	1,945,190.00	1,403,296.19	1,945,190.00	0.00	0.0%
TOTAL, REVENUES			82,918,192.00	83,529,044.00	47,515,989.01	83,529,044.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	34,147,690.00	32,758,504.00	17,924,427.05	32,758,504.00	0.00	0.0%
Certificated Pupil Support Salaries		1200	2,749,557.00	2,764,267.00	1,549,115.75	2,764,267.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	3,544,619.00	3,540,593.00	2,056,558.93	3,540,593.00	0.00	0.0%
Other Certificated Salaries		1900	333,792.00	378,393.00	201,715.80	378,393.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			40,775,658.00	39,441,757.00	21,731,817.53	39,441,757.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	756,989.00	756,989.00	288,012.10	756,989.00	0.00	0.0%
Classified Support Salaries		2200	3,073,670.00	3,010,208.00	1,747,415.28	3,010,208.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	854,563.00	861,855.00	500,710.75	861,855.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	4,735,688.00	4,808,908.00	2,773,137.10	4,808,908.00	0.00	0.0%
Other Classified Salaries		2900	336,320.00	343,224.00	250,783.25	343,224.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			9,757,230.00	9,781,184.00	5,560,058.48	9,781,184.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	3,605,419.00	3,436,546.00	1,965,649.87	3,436,546.00	0.00	0.0%
PERS		3201-3202	1,079,345.00	1,079,002.00	551,560.49	1,079,002.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	1,343,704.00	1,335,151.00	737,006.11	1,335,151.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	446,360.00	441,356.00	271,615.14	441,356.00	0.00	0.0%
Unemployment Insurance		3501-3502	815,810.00	789,583.00	488,448.10	789,583.00	0.00	0.0%
Workers' Compensation		3601-3602	751,907.00	722,795.00	378,670.30	722,795.00	0.00	0.0%
OPEB, Allocated		3701-3702	200,904.00	265,302.00	163,073.70	265,302.00	0.00	0.0%
OPEB, Active Employees		3751-3752	287,058.00	320,605.00	197,202.53	320,605.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	6,509,635.00	6,185,904.00	3,035,982.64	6,185,904.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			15,040,142.00	14,576,244.00	7,789,208.88	14,576,244.00	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	100,000.00	100,000.00	0.00	100,000.00	0.00	0.0%
Books and Other Reference Materials		4200	1,900.00	1,900.00	(111.21)	1,900.00	0.00	0.0%
Materials and Supplies		4300	1,443,442.00	2,697,547.00	827,270.34	2,697,547.00	0.00	0.0%
Noncapitalized Equipment		4400	354,307.00	456,648.00	435,611.12	456,648.00	0.00	0.0%
Food		4700	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			1,899,649.00	3,256,095.00	1,262,770.25	3,256,095.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	230,500.00	230,500.00	76,908.18	230,500.00	0.00	0.0%
Travel and Conferences		5200	133,715.00	140,591.00	34,796.46	140,591.00	0.00	0.0%
Dues and Memberships		5300	67,045.00	66,995.00	38,634.26	66,995.00	0.00	0.0%
Insurance		5400-5450	560,000.00	560,000.00	540,313.00	560,000.00	0.00	0.0%
Operations and Housekeeping Services		5500	2,085,652.00	2,085,652.00	1,149,379.87	2,085,652.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	782,673.00	751,202.00	505,624.48	751,202.00	0.00	0.0%
Transfers of Direct Costs		5710	341,121.00	391,121.00	166,119.72	391,121.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	(10,500.00)	(13,616.00)	(13,615.48)	(13,616.00)	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	2,078,384.00	2,154,821.00	950,116.77	2,154,821.00	0.00	0.0%
Communications		5900	458,950.00	459,880.00	82,616.31	459,880.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			6,727,540.00	6,827,146.00	3,530,893.57	6,827,146.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	8,500.00	11,000.00	6,671.93	11,000.00	0.00	0.0%
Equipment Replacement		6500	102,600.00	70,862.00	10,261.34	70,862.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			111,100.00	81,862.00	16,933.27	81,862.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
State Special Schools		7130	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Pass-Through Revenues To Districts or Charter Schools		7211	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments								
To Districts or Charter Schools	6500	7221						
To County Offices	6500	7222						
To JPAs	6500	7223						
ROC/P Transfers of Apportionments								
To Districts or Charter Schools	6360	7221						
To County Offices	6360	7222						
To JPAs	6360	7223						
Other Transfers of Apportionments	All Other	7221-7223	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	840,639.00	840,639.00	420,319.43	840,639.00	0.00	0.0%
Other Debt Service - Principal		7439	765,588.00	765,588.00	0.00	765,588.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			1,606,227.00	1,606,227.00	420,319.43	1,606,227.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	(278,285.00)	(342,846.00)	(2,239.15)	(342,846.00)	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	(179,588.00)	(179,588.00)	0.00	(179,588.00)	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			(457,873.00)	(522,434.00)	(2,239.15)	(522,434.00)	0.00	0.0%
TOTAL, EXPENDITURES			75,459,673.00	75,048,081.00	40,309,762.26	75,048,081.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: Special Reserve Fund		8912	0.00	0.00	0.00	0.00	0.00	0.0%
From: Bond Interest and Redemption Fund		8914	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: Child Development Fund		7611	0.00	0.00	0.00	0.00	0.00	0.0%
To: Special Reserve Fund		7612	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
To: Deferred Maintenance Fund		7615	0.00	0.00	0.00	0.00	0.00	0.0%
To: Cafeteria Fund		7616	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	41,600.00	41,600.00	0.00	41,600.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			41,600.00	41,600.00	0.00	41,600.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
State Apportionments Emergency Apportionments		8931	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds Proceeds from Sale/Lease-Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	(11,978,637.00)	(12,230,236.00)	0.00	(12,230,236.00)	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			(11,978,637.00)	(12,230,236.00)	0.00	(12,230,236.00)	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			(12,020,237.00)	(12,271,836.00)	0.00	(12,271,836.00)	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	1,468,012.00	1,468,012.00	91,229.00	1,468,012.00	0.00	0.0%
2) Federal Revenue		8100-8299	2,970,222.00	4,543,777.00	1,442,181.00	4,543,777.00	0.00	0.0%
3) Other State Revenue		8300-8599	1,564,625.00	2,357,626.00	756,751.64	2,357,626.00	0.00	0.0%
4) Other Local Revenue		8600-8799	5,752,798.00	6,105,825.00	2,963,139.43	6,105,825.00	0.00	0.0%
5) TOTAL, REVENUES			11,755,657.00	14,475,240.00	5,253,301.07	14,475,240.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	7,771,043.00	8,620,383.00	4,295,213.38	8,620,383.00	0.00	0.0%
2) Classified Salaries		2000-2999	6,076,174.00	6,387,450.00	3,412,122.14	6,387,450.00	0.00	0.0%
3) Employee Benefits		3000-3999	4,728,849.00	4,884,818.00	2,574,985.44	4,884,818.00	0.00	0.0%
4) Books and Supplies		4000-4999	1,193,234.00	2,414,316.00	847,853.95	2,414,316.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	3,637,343.00	4,512,229.00	1,473,864.44	4,512,229.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	45,000.00	172,000.00	917.71	172,000.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	278,285.00	342,846.00	2,239.15	342,846.00	0.00	0.0%
9) TOTAL, EXPENDITURES			23,729,928.00	27,334,042.00	12,607,196.21	27,334,042.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(11,974,271.00)	(12,858,802.00)	(7,353,895.14)	(12,858,802.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	3,000.00	3,000.00	0.00	3,000.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	11,978,637.00	12,230,236.00	0.00	12,230,236.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			11,975,637.00	12,227,236.00	0.00	12,227,236.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			1,366.00	(631,566.00)	(7,353,895.14)	(631,566.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	631,565.95	631,565.95		631,565.95	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			631,565.95	631,565.95		631,565.95		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			631,565.95	631,565.95		631,565.95		
2) Ending Balance, June 30 (E + F1e)			632,931.95	(0.05)		(0.05)		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	0.00		0.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Expenditures		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Restricted			632,931.95	0.28		0.28		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	0.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount			0.00	(0.33)		(0.33)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
REVENUE LIMIT SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	0.00	0.00	0.00	0.00		
Charter Schools General Purpose Entitlement - State Aid		8015	0.00	0.00	0.00	0.00		
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00		
Tax Relief Subventions								
Homeowners' Exemptions		8021	0.00	0.00	0.00	0.00		
Timber Yield Tax		8022	0.00	0.00	0.00	0.00		
Other Subventions/In-Lieu Taxes		8029	0.00	0.00	0.00	0.00		
County & District Taxes								
Secured Roll Taxes		8041	0.00	0.00	0.00	0.00		
Unsecured Roll Taxes		8042	0.00	0.00	0.00	0.00		
Prior Years' Taxes		8043	0.00	0.00	0.00	0.00		
Supplemental Taxes		8044	0.00	0.00	0.00	0.00		
Education Revenue Augmentation Fund (ERAF)		8045	0.00	0.00	0.00	0.00		
Community Redevelopment Funds (SB 617/699/1992)		8047	0.00	0.00	0.00	0.00		
Penalties and Interest from Delinquent Taxes		8048	0.00	0.00	0.00	0.00		
Miscellaneous Funds (EC 41604)								
Royalties and Bonuses		8081	0.00	0.00	0.00	0.00		
Other In-Lieu Taxes		8082	0.00	0.00	0.00	0.00		
Less: Non-Revenue Limit (50%) Adjustment		8089	0.00	0.00	0.00	0.00		
Subtotal, Revenue Limit Sources			0.00	0.00	0.00	0.00		
Revenue Limit Transfers								
Unrestricted Revenue Limit Transfers - Current Year	0000	8091						
Continuation Education ADA Transfer	2200	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Community Day Schools Transfer	2430	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education ADA Transfer	6500	8091	1,100,000.00	1,100,000.00	0.00	1,100,000.00	0.00	0.0%
All Other Revenue Limit Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
PERS Reduction Transfer		8092	0.00	0.00	0.00	0.00		
Transfers to Charter Schools in Lieu of Property Taxes		8096	0.00	0.00	0.00	0.00		
Property Taxes Transfers		8097	368,012.00	368,012.00	91,229.00	368,012.00	0.00	0.0%
Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, REVENUE LIMIT SOURCES			1,468,012.00	1,468,012.00	91,229.00	1,468,012.00	0.00	0.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	1,909,614.00	1,971,116.00	61,769.54	1,971,116.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	331,136.00	181,684.00	331,136.00	0.00	0.0%
Child Nutrition Programs		8220	0.00	0.00	0.00	0.00	0.00	0.0%
Forest Reserve Funds		8260	0.00	0.00	0.00	0.00		
Flood Control Funds		8270	0.00	0.00	0.00	0.00		
Wildlife Reserve Funds		8280	0.00	0.00	0.00	0.00		
FEMA		8281	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.00	0.00	0.00	0.0%
NCLB/IASA (incl. ARRA)	3000-3299, 4000-4139, 4201-4215, 4610, 5510	8290	767,939.00	1,948,856.00	1,176,064.49	1,948,856.00	0.00	0.0%

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Vocational and Applied Technology Education	3500-3699	8290	96,253.00	96,253.00	52.70	96,253.00	0.00	0.0%
Safe and Drug Free Schools	3700-3799	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Other Federal Revenue (incl. ARRA)	All Other	8290	196,416.00	196,416.00	22,610.27	196,416.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			2,970,222.00	4,543,777.00	1,442,181.00	4,543,777.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
Community Day School Additional Funding								
Current Year	2430	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	2430	8319	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Entitlement								
Current Year	6355-6360	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6355-6360	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Home-to-School Transportation	7230	8311	481,086.00	481,086.00	141,905.00	481,086.00	0.00	0.0%
Economic Impact Aid	7090-7091	8311	381,848.00	398,083.00	238,850.00	398,083.00	0.00	0.0%
Spec. Ed. Transportation	7240	8311	59,185.00	59,185.00	27,318.00	59,185.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Year Round School Incentive		8425	0.00	0.00	0.00	0.00	0.00	0.0%
Class Size Reduction, K-3		8434	0.00	0.00	0.00	0.00		
Child Nutrition Programs		8520	0.00	0.00	0.00	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	0.00	0.00	0.00	0.00	0.00	0.0%
Lottery - Unrestricted and Instructional Materi		8560	210,000.00	240,738.00	31,981.45	240,738.00	0.00	0.0%
Tax Relief Subventions								
Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.00	0.00	0.00	0.0%
School Based Coordination Program	7250	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6650-6690	8590	71,643.00	146,712.00	60,430.91	146,712.00	0.00	0.0%
Healthy Start	6240	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Class Size Reduction Facilities	6200	8590	0.00	0.00	0.00	0.00	0.00	0.0%
School Community Violence Prevention Grant	7391	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Quality Education Investment Act	7400	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	360,863.00	1,031,822.00	256,266.28	1,031,822.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			1,564,625.00	2,357,626.00	756,751.64	2,357,626.00	0.00	0.0%
OTHER LOCAL REVENUE								
Other Local Revenue								
County and District Taxes								
Other Restricted Levies								
Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes								
Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds								
Not Subject to RL Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Penalties and Interest from Delinquent Non-Revenue Limit Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.0%
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	0.00	0.00	0.00	0.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Adult Education Fees		8671	0.00	0.00	0.00	0.00		
Non-Resident Students		8672	0.00	0.00	0.00	0.00		
Transportation Fees From Individuals		8675	500,000.00	500,000.00	341,822.40	500,000.00	0.00	0.0%
Transportation Services	7230, 7240	8677	28,000.00	28,000.00	7,271.80	28,000.00	0.00	0.0%
Interagency Services	All Other	8677	1,587,765.00	1,781,452.00	642,504.00	1,781,452.00	0.00	0.0%
Mitigation/Developer Fees		8681	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
Plus: Misc Funds Non-Revenue Limit (50%)		8691	0.00	0.00	0.00	0.00		
Pass-Through Revenues From Local Sources		8697	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Local Revenue		8699	16,375.00	175,715.00	13,364.23	175,715.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers Of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	3,620,658.00	3,620,658.00	1,958,177.00	3,620,658.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers								
From Districts or Charter Schools	6360	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6360	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6360	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			5,752,798.00	6,105,825.00	2,963,139.43	6,105,825.00	0.00	0.0%
TOTAL, REVENUES			11,755,657.00	14,475,240.00	5,253,301.07	14,475,240.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	7,052,952.00	7,911,966.00	3,882,368.55	7,911,966.00	0.00	0.0%
Certificated Pupil Support Salaries		1200	110,901.00	110,901.00	68,884.86	110,901.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	439,556.00	419,442.00	246,687.78	419,442.00	0.00	0.0%
Other Certificated Salaries		1900	167,634.00	178,074.00	97,272.19	178,074.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			7,771,043.00	8,620,383.00	4,295,213.38	8,620,383.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	1,907,665.00	2,029,318.00	1,023,682.47	2,029,318.00	0.00	0.0%
Classified Support Salaries		2200	3,551,101.00	3,726,249.00	2,018,280.58	3,726,249.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	310,740.00	310,740.00	181,253.59	310,740.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	280,106.00	319,643.00	188,349.12	319,643.00	0.00	0.0%
Other Classified Salaries		2900	26,562.00	1,500.00	556.38	1,500.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			6,076,174.00	6,387,450.00	3,412,122.14	6,387,450.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	637,686.00	707,586.00	386,612.25	707,586.00	0.00	0.0%
PERS		3201-3202	609,749.00	635,846.00	336,598.63	635,846.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	574,795.00	602,100.00	330,075.71	602,100.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	113,053.00	121,690.00	61,876.09	121,690.00	0.00	0.0%
Unemployment Insurance		3501-3502	223,045.00	241,371.00	141,758.48	241,371.00	0.00	0.0%
Workers' Compensation		3601-3602	172,613.00	186,792.00	110,349.80	186,792.00	0.00	0.0%
OPEB, Allocated		3701-3702	52,646.00	80,955.00	47,449.98	80,955.00	0.00	0.0%
OPEB, Active Employees		3751-3752	67,966.00	75,273.00	50,581.71	75,273.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	2,277,296.00	2,233,205.00	1,109,682.79	2,233,205.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			4,728,849.00	4,884,818.00	2,574,985.44	4,884,818.00	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	210,000.00	210,000.00	138,466.57	210,000.00	0.00	0.0%
Books and Other Reference Materials		4200	1,700.00	505,595.00	227,962.41	505,595.00	0.00	0.0%
Materials and Supplies		4300	902,534.00	1,545,623.00	403,403.11	1,545,623.00	0.00	0.0%
Noncapitalized Equipment		4400	79,000.00	153,098.00	78,021.86	153,098.00	0.00	0.0%
Food		4700	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			1,193,234.00	2,414,316.00	847,853.95	2,414,316.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	635,000.00	1,136,128.00	88,063.96	1,136,128.00	0.00	0.0%
Travel and Conferences		5200	47,165.00	80,518.00	17,945.56	80,518.00	0.00	0.0%
Dues and Memberships		5300	3,450.00	3,575.00	2,500.00	3,575.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	2,500.00	2,500.00	1,219.61	2,500.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	137,600.00	155,100.00	75,052.36	155,100.00	0.00	0.0%
Transfers of Direct Costs		5710	(341,121.00)	(391,121.00)	(166,119.72)	(391,121.00)	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	(2,200.00)	(2,200.00)	(682.26)	(2,200.00)	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	3,124,679.00	3,497,459.00	1,444,488.24	3,497,459.00	0.00	0.0%
Communications		5900	30,270.00	30,270.00	11,396.69	30,270.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			3,637,343.00	4,512,229.00	1,473,864.44	4,512,229.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
State Special Schools		7130	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	45,000.00	172,000.00	917.71	172,000.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Pass-Through Revenues To Districts or Charter Schools		7211	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments To Districts or Charter Schools	6500	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6500	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6500	7223	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers of Apportionments To Districts or Charter Schools	6360	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6360	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6360	7223	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments	All Other	7221-7223	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			45,000.00	172,000.00	917.71	172,000.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	278,285.00	342,846.00	2,239.15	342,846.00	0.00	0.0%
Transfers of Indirect Costs - Interfund		7350	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			278,285.00	342,846.00	2,239.15	342,846.00	0.00	0.0%
TOTAL, EXPENDITURES			23,729,928.00	27,334,042.00	12,607,196.21	27,334,042.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: Special Reserve Fund		8912	0.00	0.00	0.00	0.00	0.00	0.0%
From: Bond Interest and Redemption Fund		8914	0.00	0.00	0.00	0.00		
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: Child Development Fund		7611	0.00	0.00	0.00	0.00	0.00	0.0%
To: Special Reserve Fund		7612	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
To: Deferred Maintenance Fund		7615	0.00	0.00	0.00	0.00	0.00	0.0%
To: Cafeteria Fund		7616	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	3,000.00	3,000.00	0.00	3,000.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			3,000.00	3,000.00	0.00	3,000.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
State Apportionments Emergency Apportionments		8931	0.00	0.00	0.00	0.00		
Proceeds								
Proceeds from Sale/Lease- Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	11,978,637.00	12,230,236.00	0.00	12,230,236.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			11,978,637.00	12,230,236.00	0.00	12,230,236.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			11,975,637.00	12,227,236.00	0.00	12,227,236.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	77,941,127.00	77,941,127.00	43,585,839.66	77,941,127.00	0.00	0.0%
2) Federal Revenue		8100-8299	3,714,871.00	5,301,055.00	1,823,134.03	5,301,055.00	0.00	0.0%
3) Other State Revenue		8300-8599	5,724,953.00	6,711,087.00	2,993,880.77	6,711,087.00	0.00	0.0%
4) Other Local Revenue		8600-8799	7,292,898.00	8,051,015.00	4,366,435.62	8,051,015.00	0.00	0.0%
5) TOTAL, REVENUES			94,673,849.00	98,004,284.00	52,769,290.08	98,004,284.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	48,546,701.00	48,062,140.00	26,027,030.91	48,062,140.00	0.00	0.0%
2) Classified Salaries		2000-2999	15,833,404.00	16,168,634.00	8,972,180.62	16,168,634.00	0.00	0.0%
3) Employee Benefits		3000-3999	19,768,991.00	19,461,062.00	10,364,194.32	19,461,062.00	0.00	0.0%
4) Books and Supplies		4000-4999	3,092,883.00	5,670,411.00	2,110,624.20	5,670,411.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	10,364,883.00	11,339,375.00	5,004,758.01	11,339,375.00	0.00	0.0%
6) Capital Outlay		6000-6999	111,100.00	81,862.00	16,933.27	81,862.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	1,651,227.00	1,778,227.00	421,237.14	1,778,227.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(179,588.00)	(179,588.00)	0.00	(179,588.00)	0.00	0.0%
9) TOTAL, EXPENDITURES			99,189,601.00	102,382,123.00	52,916,958.47	102,382,123.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(4,515,752.00)	(4,377,839.00)	(147,668.39)	(4,377,839.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	44,600.00	44,600.00	0.00	44,600.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(44,600.00)	(44,600.00)	0.00	(44,600.00)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(4,560,352.00)	(4,422,439.00)	(147,668.39)	(4,422,439.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited								
		9791	15,311,186.35	15,311,186.35		15,311,186.35	0.00	0.0%
b) Audit Adjustments								
		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			15,311,186.35	15,311,186.35		15,311,186.35		
d) Other Restatements								
		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			15,311,186.35	15,311,186.35		15,311,186.35		
2) Ending Balance, June 30 (E + F1e)			10,750,834.35	10,888,747.35		10,888,747.35		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash								
		9711	180,000.00	180,000.00		180,000.00		
Stores								
		9712	1,000.00	1,000.00		1,000.00		
Prepaid Expenditures								
		9713	0.00	0.00		0.00		
All Others								
		9719	0.00	0.00		0.00		
b) Restricted								
		9740	632,931.95	0.28		0.28		
c) Committed								
Stabilization Arrangements								
		9750	0.00	0.00		0.00		
Other Commitments								
		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments								
		9780	3,067,619.00	3,072,802.00		3,072,802.00		
Basic Aid Reserve (3%)								
	0000	9780	3,067,619.00					
Basic Aid Reserve (3%)								
	0000	9780		3,072,802.00				
Basic Aid Reserve (3%)								
	0000	9780				3,072,802.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties								
		9789	6,869,283.40	7,634,945.40		7,634,945.40		
Unassigned/Unappropriated Amount								
		9790	0.00	(0.33)		(0.33)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
REVENUE LIMIT SOURCES								
Principal Apportionment								
State Aid - Current Year		8011	(22,848.00)	(22,848.00)	(15,079.00)	(22,848.00)	0.00	0.0%
Charter Schools General Purpose Entitlement - State Aid		8015	0.00	0.00	0.00	0.00	0.00	0.0%
State Aid - Prior Years		8019	0.00	0.00	0.00	0.00	0.00	0.0%
Tax Relief Subventions								
Homeowners' Exemptions		8021	767,938.00	767,938.00	378,904.12	767,938.00	0.00	0.0%
Timber Yield Tax		8022	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8029	0.00	0.00	0.00	0.00	0.00	0.0%
County & District Taxes								
Secured Roll Taxes		8041	74,125,442.00	74,125,442.00	40,482,788.53	74,125,442.00	0.00	0.0%
Unsecured Roll Taxes		8042	2,705,664.00	2,705,664.00	2,621,615.75	2,705,664.00	0.00	0.0%
Prior Years' Taxes		8043	(1,990.00)	(1,990.00)	14,815.51	(1,990.00)	0.00	0.0%
Supplemental Taxes		8044	0.00	0.00	0.00	0.00	0.00	0.0%
Education Revenue Augmentation Fund (ERAF)		8045	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds (SB 617/699/1992)		8047	11,675.00	11,675.00	11,565.75	11,675.00	0.00	0.0%
Penalties and Interest from Delinquent Taxes		8048	0.00	0.00	0.00	0.00	0.00	0.0%
Miscellaneous Funds (EC 41604)								
Royalties and Bonuses		8081	0.00	0.00	0.00	0.00	0.00	0.0%
Other In-Lieu Taxes		8082	500.00	500.00	0.00	500.00	0.00	0.0%
Less: Non-Revenue Limit (50%) Adjustment		8089	(250.00)	(250.00)	0.00	(250.00)	0.00	0.0%
Subtotal, Revenue Limit Sources			77,586,131.00	77,586,131.00	43,494,610.66	77,586,131.00	0.00	0.0%
Revenue Limit Transfers								
Unrestricted Revenue Limit Transfers - Current Year	0000	8091	(1,100,000.00)	(1,100,000.00)	0.00	(1,100,000.00)	0.00	0.0%
Continuation Education ADA Transfer	2200	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Community Day Schools Transfer	2430	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education ADA Transfer	6500	8091	1,100,000.00	1,100,000.00	0.00	1,100,000.00	0.00	0.0%
All Other Revenue Limit Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
PERS Reduction Transfer		8092	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers to Charter Schools in Lieu of Property Taxes		8096	(13,016.00)	(13,016.00)	0.00	(13,016.00)	0.00	0.0%
Property Taxes Transfers		8097	368,012.00	368,012.00	91,229.00	368,012.00	0.00	0.0%
Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, REVENUE LIMIT SOURCES			77,941,127.00	77,941,127.00	43,585,839.66	77,941,127.00	0.00	0.0%
FEDERAL REVENUE								
Maintenance and Operations		8110	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Entitlement		8181	1,909,614.00	1,971,116.00	61,769.54	1,971,116.00	0.00	0.0%
Special Education Discretionary Grants		8182	0.00	331,136.00	181,684.00	331,136.00	0.00	0.0%
Child Nutrition Programs		8220	0.00	0.00	0.00	0.00	0.00	0.0%
Forest Reserve Funds		8260	0.00	0.00	0.00	0.00	0.00	0.0%
Flood Control Funds		8270	0.00	0.00	0.00	0.00	0.00	0.0%
Wildlife Reserve Funds		8280	0.00	0.00	0.00	0.00	0.00	0.0%
FEMA		8281	0.00	0.00	0.00	0.00	0.00	0.0%
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from Federal Sources		8287	0.00	0.00	0.00	0.00	0.00	0.0%
NCLB/IASA (incl. ARRA)	3000-3299, 4000-4139, 4201-4215, 4610, 5510	8290	767,939.00	1,948,856.00	1,176,064.49	1,948,856.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Vocational and Applied Technology Education	3500-3699	8290	96,253.00	96,253.00	52.70	96,253.00	0.00	0.0%
Safe and Drug Free Schools	3700-3799	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Other Federal Revenue (incl. ARRA)	All Other	8290	941,065.00	953,694.00	403,563.30	953,694.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			3,714,871.00	5,301,055.00	1,823,134.03	5,301,055.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
Community Day School Additional Funding								
Current Year	2430	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	2430	8319	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Entitlement								
Current Year	6355-6360	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6355-6360	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education Master Plan								
Current Year	6500	8311	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years	6500	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Home-to-School Transportation	7230	8311	481,086.00	481,086.00	141,905.00	481,086.00	0.00	0.0%
Economic Impact Aid	7090-7091	8311	381,848.00	398,083.00	238,850.00	398,083.00	0.00	0.0%
Spec. Ed. Transportation	7240	8311	59,185.00	59,185.00	27,318.00	59,185.00	0.00	0.0%
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
Year Round School Incentive		8425	0.00	0.00	0.00	0.00	0.00	0.0%
Class Size Reduction, K-3		8434	0.00	0.00	0.00	0.00	0.00	0.0%
Child Nutrition Programs		8520	0.00	0.00	0.00	0.00	0.00	0.0%
Mandated Costs Reimbursements		8550	0.00	149,508.00	149,521.00	149,508.00	0.00	0.0%
Lottery - Unrestricted and Instructional Materi		8560	1,542,000.00	1,594,092.00	456,871.63	1,594,092.00	0.00	0.0%
Tax Relief Subventions								
Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues from State Sources		8587	0.00	0.00	0.00	0.00	0.00	0.0%
School Based Coordination Program	7250	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Drug/Alcohol/Tobacco Funds	6650-6690	8590	71,643.00	146,712.00	60,430.91	146,712.00	0.00	0.0%
Healthy Start	6240	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Class Size Reduction Facilities	6200	8590	0.00	0.00	0.00	0.00	0.00	0.0%
School Community Violence Prevention Grant	7391	8590	0.00	0.00	0.00	0.00	0.00	0.0%
Quality Education Investment Act	7400	8590	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue	All Other	8590	3,189,191.00	3,882,421.00	1,918,984.23	3,882,421.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			5,724,953.00	6,711,087.00	2,993,880.77	6,711,087.00	0.00	0.0%
OTHER LOCAL REVENUE								
Other Local Revenue								
County and District Taxes								
Other Restricted Levies								
Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes								
Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds								
Not Subject to RL Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
Penalties and Interest from Delinquent Non-Revenue Limit Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.0%
Sales								
Sale of Equipment/Supplies		8631	10,000.00	10,000.00	4,984.12	10,000.00	0.00	0.0%
Sale of Publications		8632	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Sales		8639	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	219,194.00	100,000.00	173,145.50	100,000.00	0.00	0.0%
Interest		8660	400,000.00	400,000.00	271,846.53	400,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Adult Education Fees		8671	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Resident Students		8672	0.00	0.00	0.00	0.00	0.00	0.0%
Transportation Fees From Individuals		8675	500,000.00	500,000.00	341,822.40	500,000.00	0.00	0.0%
Transportation Services	7230, 7240	8677	28,000.00	28,000.00	7,271.80	28,000.00	0.00	0.0%
Interagency Services	All Other	8677	1,640,061.00	1,833,748.00	645,053.00	1,833,748.00	0.00	0.0%
Mitigation/Developer Fees		8681	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Fees and Contracts		8689	369,000.00	375,017.00	218,136.69	375,017.00	0.00	0.0%
Other Local Revenue								
Plus: Misc Funds Non-Revenue Limit (50%) Adjustment		8691	0.00	0.00	0.00	0.00	0.00	0.0%
Pass-Through Revenues From Local Sources		8697	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Local Revenue		8699	505,985.00	1,183,592.00	745,998.58	1,183,592.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In		8781-8783	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers Of Apportionments								
Special Education SELPA Transfers								
From Districts or Charter Schools	6500	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6500	8792	3,620,658.00	3,620,658.00	1,958,177.00	3,620,658.00	0.00	0.0%
From JPAs	6500	8793	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers								
From Districts or Charter Schools	6360	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	6360	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	6360	8793	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			7,292,898.00	8,051,015.00	4,366,435.62	8,051,015.00	0.00	0.0%
TOTAL, REVENUES			94,673,849.00	98,004,284.00	52,769,290.08	98,004,284.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	41,200,642.00	40,670,470.00	21,806,795.60	40,670,470.00	0.00	0.0%
Certificated Pupil Support Salaries		1200	2,860,458.00	2,875,168.00	1,618,000.61	2,875,168.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	3,984,175.00	3,960,035.00	2,303,246.71	3,960,035.00	0.00	0.0%
Other Certificated Salaries		1900	501,426.00	556,467.00	298,987.99	556,467.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			48,546,701.00	48,062,140.00	26,027,030.91	48,062,140.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	2,664,654.00	2,786,307.00	1,311,694.57	2,786,307.00	0.00	0.0%
Classified Support Salaries		2200	6,624,771.00	6,736,457.00	3,765,695.86	6,736,457.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	1,165,303.00	1,172,595.00	681,964.34	1,172,595.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	5,015,794.00	5,128,551.00	2,961,486.22	5,128,551.00	0.00	0.0%
Other Classified Salaries		2900	362,882.00	344,724.00	251,339.63	344,724.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			15,833,404.00	16,168,634.00	8,972,180.62	16,168,634.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	4,243,105.00	4,144,132.00	2,352,262.12	4,144,132.00	0.00	0.0%
PERS		3201-3202	1,689,094.00	1,714,848.00	888,159.12	1,714,848.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	1,918,499.00	1,937,251.00	1,067,081.82	1,937,251.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	559,413.00	563,046.00	333,491.23	563,046.00	0.00	0.0%
Unemployment Insurance		3501-3502	1,038,855.00	1,030,954.00	630,206.58	1,030,954.00	0.00	0.0%
Workers' Compensation		3601-3602	924,520.00	909,587.00	489,020.10	909,587.00	0.00	0.0%
OPEB, Allocated		3701-3702	253,550.00	346,257.00	210,523.68	346,257.00	0.00	0.0%
OPEB, Active Employees		3751-3752	355,024.00	395,878.00	247,784.24	395,878.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	8,786,931.00	8,419,109.00	4,145,665.43	8,419,109.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			19,768,991.00	19,461,062.00	10,364,194.32	19,461,062.00	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	310,000.00	310,000.00	138,466.57	310,000.00	0.00	0.0%
Books and Other Reference Materials		4200	3,600.00	507,495.00	227,851.20	507,495.00	0.00	0.0%
Materials and Supplies		4300	2,345,976.00	4,243,170.00	1,230,673.45	4,243,170.00	0.00	0.0%
Noncapitalized Equipment		4400	433,307.00	609,746.00	513,632.98	609,746.00	0.00	0.0%
Food		4700	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			3,092,883.00	5,670,411.00	2,110,624.20	5,670,411.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	865,500.00	1,366,628.00	164,972.14	1,366,628.00	0.00	0.0%
Travel and Conferences		5200	180,880.00	221,109.00	52,742.02	221,109.00	0.00	0.0%
Dues and Memberships		5300	70,495.00	70,570.00	41,134.26	70,570.00	0.00	0.0%
Insurance		5400-5450	560,000.00	560,000.00	540,313.00	560,000.00	0.00	0.0%
Operations and Housekeeping Services		5500	2,088,152.00	2,088,152.00	1,150,599.48	2,088,152.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	920,273.00	906,302.00	580,676.84	906,302.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	(12,700.00)	(15,816.00)	(14,297.74)	(15,816.00)	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	5,203,063.00	5,652,280.00	2,394,605.01	5,652,280.00	0.00	0.0%
Communications		5900	489,220.00	490,150.00	94,013.00	490,150.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			10,364,883.00	11,339,375.00	5,004,758.01	11,339,375.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	8,500.00	11,000.00	6,671.93	11,000.00	0.00	0.0%
Equipment Replacement		6500	102,600.00	70,862.00	10,261.34	70,862.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			111,100.00	81,862.00	16,933.27	81,862.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition for Instruction Under Interdistrict Attendance Agreements		7110	0.00	0.00	0.00	0.00	0.00	0.0%
State Special Schools		7130	0.00	0.00	0.00	0.00	0.00	0.0%
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	45,000.00	172,000.00	917.71	172,000.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Pass-Through Revenues To Districts or Charter Schools		7211	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices		7212	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs		7213	0.00	0.00	0.00	0.00	0.00	0.0%
Special Education SELPA Transfers of Apportionments To Districts or Charter Schools	6500	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6500	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6500	7223	0.00	0.00	0.00	0.00	0.00	0.0%
ROC/P Transfers of Apportionments To Districts or Charter Schools	6360	7221	0.00	0.00	0.00	0.00	0.00	0.0%
To County Offices	6360	7222	0.00	0.00	0.00	0.00	0.00	0.0%
To JPAs	6360	7223	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments	All Other	7221-7223	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers		7281-7283	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	840,639.00	840,639.00	420,319.43	840,639.00	0.00	0.0%
Other Debt Service - Principal		7439	765,588.00	765,588.00	0.00	765,588.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			1,651,227.00	1,778,227.00	421,237.14	1,778,227.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs		7310	0.00	0.00	0.00	0.00		
Transfers of Indirect Costs - Interfund		7350	(179,588.00)	(179,588.00)	0.00	(179,588.00)	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			(179,588.00)	(179,588.00)	0.00	(179,588.00)	0.00	0.0%
TOTAL, EXPENDITURES			99,189,601.00	102,382,123.00	52,916,958.47	102,382,123.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff (E/B) (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: Special Reserve Fund		8912	0.00	0.00	0.00	0.00	0.00	0.0%
From: Bond Interest and Redemption Fund		8914	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: Child Development Fund		7611	0.00	0.00	0.00	0.00	0.00	0.0%
To: Special Reserve Fund		7612	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
To: Deferred Maintenance Fund		7615	0.00	0.00	0.00	0.00	0.00	0.0%
To: Cafeteria Fund		7616	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	44,600.00	44,600.00	0.00	44,600.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			44,600.00	44,600.00	0.00	44,600.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
State Apportionments Emergency Apportionments		8931	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds Proceeds from Sale/Lease- Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00		
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00		
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES								
(a - b + c - d + e)			(44,600.00)	(44,600.00)	0.00	(44,600.00)	0.00	0.0%

ITEM 17

Description	ESTIMATED REVENUE LIMIT ADA Original Budget (A)	ESTIMATED REVENUE LIMIT ADA Board Approved Operating Budget (B)	ESTIMATED P-2 REPORT ADA Projected Year Totals (C)	ESTIMATED REVENUE LIMIT ADA Projected Year Totals (D)	DIFFERENCE (Col. D - B) (E)	PERCENTAGE DIFFERENCE (Col. E / B) (F)
ELEMENTARY						
1. General Education	3,674.64	3,674.64	3,600.00	3,674.64	0.00	0%
2. Special Education	73.54	73.54	70.00	73.54	0.00	0%
HIGH SCHOOL						
3. General Education	8,032.52	8,032.52	8,105.00	8,032.52	0.00	0%
4. Special Education	183.64	183.64	182.00	183.64	0.00	0%
COUNTY SUPPLEMENT						
5. County Community Schools	0.00	0.00	0.00	0.00	0.00	0%
6. Special Education	4.00	4.00	4.00	4.00	0.00	0%
7. TOTAL, K-12 ADA	11,968.34	11,968.34	11,961.00	11,968.34	0.00	0%
8. ADA for Necessary Small Schools also included in lines 1 - 4.	0.00	0.00	0.00	0.00	0.00	0%
9. Regional Occupational Centers/Programs (ROC/P)*						
CLASSES FOR ADULTS						
10. Concurrently Enrolled Secondary Students*						
11. Adults Enrolled, State Apportioned*						
12. Independent Study - (Students 21 years or older and students 19 years or older and not continuously enrolled since their 18th birthday)*						
13. TOTAL, CLASSES FOR ADULTS						
14. Adults in Correctional Facilities	0.00	0.00	0.00	0.00	0.00	0%
15. ADA TOTALS (Sum of lines 7, 9, 13, & 14)	11,968.34	11,968.34	11,961.00	11,968.34	0.00	0%
SUPPLEMENTAL INSTRUCTIONAL HOURS						
16. Elementary*						
17. High School*						
18. TOTAL, SUPPLEMENTAL HOURS						

Description	ESTIMATED REVENUE LIMIT ADA Original Budget (A)	ESTIMATED REVENUE LIMIT ADA Board Approved Operating Budget (B)	ESTIMATED P-2 REPORT ADA Projected Year Totals (C)	ESTIMATED REVENUE LIMIT ADA Projected Year Totals (D)	DIFFERENCE (Col. D - B) (E)	PERCENTAGE DIFFERENCE (Col. E / B) (F)
COMMUNITY DAY SCHOOLS - Additional Funds						
19. ELEMENTARY						
a. 5th & 6th Hour (ADA) - Mandatory Expelled Pupils only	0.00	0.00	0.00	0.00	0.00	0%
b. 7th & 8th Hour Pupil Hours (Hours)*						
20. HIGH SCHOOL						
a. 5th & 6th Hour (ADA) - Mandatory Expelled Pupils only	0.00	0.00	0.00	0.00	0.00	0%
b. 7th & 8th Hour Pupil Hours (Hours)*						
CHARTER SCHOOLS						
21. Charter ADA funded thru the Block Grant						
a. Charters Sponsored by Unified Districts - Resident (EC 47660) (applicable only for unified districts with Charter School General Purpose Block Grant Offset recorded on line 30 in Form RLI)	0.00	0.00	0.00	0.00	0.00	0%
b. All Other Block Grant Funded Charters	0.00	0.00	0.00	0.00	0.00	0%
22. Charter ADA funded thru the Revenue Limit	0.00	0.00	0.00	0.00	0.00	0%
23. TOTAL, CHARTER SCHOOLS ADA (sum lines 21a, 21b, and 22)	0.00	0.00	0.00	0.00	0.00	0%
24. SUPPLEMENTAL INSTRUCTIONAL HOURS*						

*ADA is no longer collected as a result of flexibility provisions of SBX3 4 (Chapter 12, Statutes of 2009), as amended by SB 70 (Chapter 7, Statutes of 2011), currently in effect from 2008-09 through 2014-15.

Second Interim
2011-12 INTERIM REPORT
Cashflow Worksheet

	Object	July	August	September	October	November	December
ACTUALS THROUGH THE MONTH OF (Enter Month Name):	January						
A. BEGINNING CASH	9110	13,723,910.00	28,702,968.00	24,353,872.00	18,604,517.00	11,907,451.00	7,832,673.00
B. RECEIPTS							
Revenue Limit Sources							
Property Taxes	8020-8079	125,194.00	910,119.00	707,790.00	790,856.00	2,795,901.00	27,649,237.00
Principal Apportionment	8010-8019			(5,360.00)			
Miscellaneous Funds	8080-8099		(1,814.00)			30,689.00	0.00
Federal Revenue	8100-8299		738,524.00	155,598.00	550,009.00	52,927.00	12,681.00
Other State Revenue	8300-8599	(298,243.00)	56,300.00	235,826.00	1,125,740.00	656,073.00	292,445.00
Other Local Revenue	8600-8799	42,356.00	317,242.00	792,128.00	492,500.00	519,588.00	495,152.00
Interfund Transfers In	8910-8929						
All Other Financing Sources	8930-8979						
Other Receipts/Non-Revenue		16,687,439.00					
TOTAL RECEIPTS		16,556,746.00	2,020,371.00	1,885,982.00	2,959,105.00	4,055,178.00	28,449,515.00
C. DISBURSEMENTS							
Certificated Salaries	1000-1999	352,780.00	4,133,171.00	4,260,667.00	4,242,684.00	4,269,795.00	4,380,230.00
Classified Salaries	2000-2999	772,732.00	1,052,747.00	1,389,699.00	1,376,578.00	1,414,657.00	1,587,160.00
Employee Benefits	3000-3999	232,053.00	820,273.00	1,834,401.00	1,843,594.00	1,753,097.00	1,699,814.00
Books, Supplies and Services	4000-5999	346,456.00	1,212,214.00	837,329.00	1,549,846.00	1,062,173.00	839,505.00
Capital Outlay	6000-6599		16,432.00		6,972.00	9,258.00	0.00
Other Outgo	7000-7499						
Interfund Transfers Out	7600-7629				420,319.00	918.00	
All Other Financing Uses	7630-7699						
Other Disbursements/ Non Expenditures							15,000.00
TOTAL DISBURSEMENTS		1,704,021.00	7,234,837.00	8,322,096.00	9,439,993.00	8,509,898.00	8,521,709.00
D. PRIOR YEAR TRANSACTIONS							
Accounts Receivable	9200	1,631,684.00	1,295,349.00	426,805.00	106,280.00	777,432.00	34,297.00
Accounts Payable	9500	1,505,351.00	429,979.00	(259,954.00)	322,458.00	397,490.00	1,482.00
TOTAL PRIOR YEAR TRANSACTIONS		126,333.00	865,370.00	686,759.00	(216,178.00)	379,942.00	32,815.00
E. NET INCREASE/DECREASE (B - C + D)		14,979,058.00	(4,349,096.00)	(5,749,355.00)	(6,697,066.00)	(4,074,778.00)	19,960,621.00
F. ENDING CASH (A + E)		28,702,968.00	24,353,872.00	18,604,517.00	11,907,451.00	7,832,673.00	27,793,294.00
G. ENDING CASH, PLUS ACCRUALS							

San Dieguito Union High
San Diego County

Second Interim
2011-12 INTERIM REPORT
Cashflow Worksheet

	Object	January	February	March	April	May	June	Accruals	TOTAL
ACTUALS THROUGH THE MONTH OF (Enter Month Name):	January								
A. BEGINNING CASH	9110	27,793,294.00	23,610,409.00	20,040,169.00	12,253,549.00	19,120,995.00	17,794,073.00		
B. RECEIPTS									
Revenue Limit Sources									
Property Taxes	8020-8079	10,530,594.00	3,734,467.00	744,578.00	22,337,326.00	6,966,445.00	1,063,305.00		78,355,812.00
Principal Apportionment	8010-8019	(9,719.00)	(669.00)	(1,829.00)	(3,317.00)	(1,141.00)		(6,546.00)	(28,581.00)
Miscellaneous Funds	8080-8099	93,043.00	30,689.00	30,689.00	30,689.00	30,689.00	30,689.00	(8,269.00)	267,094.00
Federal Revenue	8100-8299	313,395.00	1,167,242.00	744,542.00		318,270.00	159,135.00	393,347.00	4,605,670.00
Other State Revenue	8300-8599	925,740.00	(311,946.00)	58,384.00	1,252,154.00	210,282.00	775,109.00	550,466.00	5,528,330.00
Other Local Revenue	8600-8799	1,511,967.00	260,825.00	213,133.00	465,745.00	298,308.00	134,815.00	1,627,029.00	7,170,788.00
Interfund Transfers In	8910-8929								0.00
All Other Financing Sources	8930-8979								0.00
Other Receipts/Non-Revenue		(8,407,374.00)			(8,407,374.00)				(127,309.00)
TOTAL RECEIPTS		4,957,646.00	4,880,608.00	1,789,497.00	15,675,223.00	7,822,853.00	2,163,053.00	2,556,027.00	95,771,804.00
C. DISBURSEMENTS									
Certificated Salaries	1000-1999	4,387,704.00	4,211,931.00	4,259,127.00	4,244,991.00	4,195,203.00	5,076,850.00	161,934.00	48,177,067.00
Classified Salaries	2000-2999	1,378,608.00	1,340,319.00	1,583,226.00	1,383,821.00	1,354,608.00	1,654,870.00		16,289,025.00
Employee Benefits	3000-3999	1,840,447.00	1,846,005.00	1,881,329.00	1,844,369.00	1,825,001.00	1,875,661.00	2,665.00	19,298,709.00
Books, Supplies and Services	4000-5999	1,534,330.00	1,042,854.00	1,210,931.00	1,324,857.00	1,765,224.00	2,528,238.00	314,311.00	15,568,268.00
Capital Outlay	6000-6599	(6,471.00)	9,739.00	9,739.00	9,739.00	9,739.00	9,739.00		74,886.00
Other Outgo	7000-7499								0.00
Interfund Transfers Out	7600-7629			631,765.00			464,155.00		1,517,157.00
All Other Financing Uses	7630-7699								0.00
Other Disbursements/ Non Expenditures		5,000.00							20,000.00
TOTAL DISBURSEMENTS		9,139,618.00	8,450,848.00	9,576,117.00	8,807,777.00	9,149,775.00	11,609,513.00	478,910.00	100,945,112.00
D. PRIOR YEAR TRANSACTIONS									
Accounts Receivable	9200	604.00							4,272,451.00
Accounts Payable	9500	1,517.00							2,398,323.00
TOTAL PRIOR YEAR TRANSACTIONS		(913.00)	0.00	0.00	0.00	0.00	0.00	0.00	1,874,128.00
E. NET INCREASE/DECREASE (B - C + D)		(4,182,885.00)	(3,570,240.00)	(7,786,620.00)	6,867,446.00	(1,326,922.00)	(9,446,460.00)	2,077,117.00	(3,299,180.00)
F. ENDING CASH (A + E)		23,610,409.00	20,040,169.00	12,253,549.00	19,120,995.00	17,794,073.00	8,347,613.00		
G. ENDING CASH, PLUS ACCRUALS									10,424,730.00

Second Interim
2011-12 INTERIM REPORT
General Fund
Revenue Limit Summary

Description	Principal Appt. Software Data ID	Original Budget	Board Approved Operating Budget	Projected Year Totals
BASE REVENUE LIMIT PER ADA				
1. Base Revenue Limit per ADA (prior year)	0025	7,290.08	7,290.08	7,290.08
2. Inflation Increase	0041	164.00	164.00	164.00
3. All Other Adjustments	0042, 0525, 0719	8.57	8.57	8.57
4. TOTAL, BASE REVENUE LIMIT PER ADA (Sum Lines 1 through 3)	0024	7,462.65	7,462.65	7,462.65
REVENUE LIMIT SUBJECT TO DEFICIT				
5. Total Base Revenue Limit				
a. Base Revenue Limit per ADA (from Line 4)	0024	7,462.65	7,462.65	7,462.65
b. Revenue Limit ADA	0033	11,968.34	11,968.34	11,968.34
c. Total Base Revenue Limit (Line 5a times Line 5b)	0269	89,315,532.50	89,315,532.50	89,315,532.50
6. Allowance for Necessary Small School	0489	0.00	0.00	0.00
7. Gain or Loss from Interdistrict Attendance Agreements	0272	0.00	0.00	0.00
8. Meals for Needy Pupils	0090			
9. Special Revenue Limit Adjustments	0274	0.00	0.00	0.00
10. One-time Equalization Adjustments	0275			
11. Miscellaneous Revenue Limit Adjustments	0276, 0659	0.00	0.00	0.00
12. Less: All Charter District Revenue Limit Adjustment	0217	0.00	0.00	0.00
13. Beginning Teacher Salary Incentive Funding	0552			
14. Less: Class Size Penalties Adjustment	0173	0.00	0.00	0.00
15. REVENUE LIMIT SUBJECT TO DEFICIT (Sum Lines 5c through 11, plus Line 13, minus Lines 12 and 14)	0082	89,315,532.50	89,315,532.50	89,315,532.50
DEFICIT CALCULATION				
16. Deficit Factor	0281	0.80392	0.80246	0.80246
17. TOTAL, DEFICITED REVENUE LIMIT (Line 15 times Line 16)	0284	71,802,542.89	71,672,142.21	71,672,142.21
OTHER REVENUE LIMIT ITEMS				
18. Unemployment Insurance Revenue	0060	1,112,011.00	1,073,597.00	1,073,597.00
19. Less: Longer Day/Year Penalty	0287	0.00	0.00	0.00
20. Less: Excess ROC/P Reserves Adjustment	0288	0.00	0.00	0.00
21. Less: PERS Reduction	0195	215,837.00	357,109.00	357,109.00
22. PERS Safety Adjustment/SFUSD PERS Adjustment	0205, 0654	0.00	0.00	0.00
23. TOTAL, OTHER REVENUE LIMIT ITEMS (Sum Lines 18 and 22, minus Lines 19 through 21)	---	896,174.00	716,488.00	716,488.00
24. TOTAL REVENUE LIMIT (Sum Lines 17 and 23)	0088	72,698,716.89	72,388,630.21	72,388,630.21

Second Interim
 2011-12 INTERIM REPORT
 General Fund
 Revenue Limit Summary

Description	Principal Appt. Software Data ID	Original Budget	Board Approved Operating Budget	Projected Year Totals
REVENUE LIMIT - LOCAL SOURCES				
25. Property Taxes	0587	77,597,304.00	77,597,304.00	77,597,304.00
26. Miscellaneous Funds	0588	0.00	0.00	0.00
27. Community Redevelopment Funds	0589	11,675.00	11,675.00	11,675.00
28. Less: Charter Schools In-lieu Taxes	0595	13,016.00	13,016.00	13,016.00
29. TOTAL, REVENUE LIMIT - LOCAL SOURCES (Sum Lines 25 through 27, minus Line 28)	0126	77,595,963.00	77,595,963.00	77,595,963.00
30. Charter School General Purpose Block Grant Offset (Unified Districts Only)	0293	0.00	0.00	0.00
31. STATE AID PORTION OF REVENUE LIMIT (Sum Line 24, minus Lines 29 and 30. If negative, then zero)	0111	0.00	0.00	0.00
OTHER ITEMS				
32. Less: County Office Funds Transfer	0458	22,848.00	22,848.00	22,848.00
33. Core Academic Program	9001			
34. California High School Exit Exam	9002			
35. Pupil Promotion and Retention Programs (Retained and Recommended for Retention, and Low STAR and At Risk of Retention)	9016, 9017			
36. Apprenticeship Funding	0570			
37. Community Day School Additional Funding	3103, 9007			
38. Basic Aid "Choice"/Court Ordered Voluntary Pupil Transfer	0634, 0629	0.00	0.00	0.00
39. Basic Aid Supplement Charter School Adjustment	9018	0.00	0.00	0.00
40. All Other Adjustments	---	0.00	0.00	0.00
41. TOTAL, OTHER ITEMS (Sum Lines 33 through 40, minus Line 32)	---	(22,848.00)	(22,848.00)	(22,848.00)
42. TOTAL, STATE AID PORTION OF REVENUE LIMIT (Sum Lines 31 and 41) (This amount should agree with Object 8011)	---	(22,848.00)	(22,848.00)	(22,848.00)
OTHER NON-REVENUE LIMIT ITEMS				
43. Core Academic Program	9001	111,629.00	111,629.00	111,629.00
44. California High School Exit Exam	9002	498,722.00	498,722.00	498,722.00
45. Pupil Promotion and Retention Programs (Retained and Recommended for Retention, and Low STAR and At Risk of Retention)	9016, 9017	0.00	0.00	0.00
46. Apprenticeship Funding	0570	0.00	0.00	0.00
47. Community Day School Additional Funding	3103, 9007	0.00	0.00	0.00

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	155,849.00	142,805.00	29,919.55	142,805.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	718,500.00	718,500.00	283,931.08	718,500.00	0.00	0.0%
5) TOTAL, REVENUES			874,349.00	861,305.00	313,850.63	861,305.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	274,066.00	264,597.00	161,382.13	264,597.00	0.00	0.0%
2) Classified Salaries		2000-2999	288,277.00	277,650.00	164,901.61	277,650.00	0.00	0.0%
3) Employee Benefits		3000-3999	129,718.00	130,540.00	65,351.54	130,540.00	0.00	0.0%
4) Books and Supplies		4000-4999	36,180.00	45,332.00	15,607.61	45,332.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	108,640.00	109,643.00	75,154.88	109,643.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	33,543.00	33,543.00	0.00	33,543.00	0.00	0.0%
9) TOTAL, EXPENDITURES			870,424.00	861,305.00	482,397.77	861,305.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			3,925.00	0.00	(168,547.14)	0.00		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND								
BALANCE (C + D4)			3,925.00	0.00	(168,547.14)	0.00		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited								
		9791	0.00	0.00		0.00	0.00	0.0%
b) Audit Adjustments								
		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)								
			0.00	0.00		0.00		
d) Other Restatements								
		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)								
			0.00	0.00		0.00		
2) Ending Balance, June 30 (E + F1e)								
			3,925.00	0.00		0.00		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash								
		9711	0.00	0.00		0.00		
Stores								
		9712	0.00	0.00		0.00		
Prepaid Expenditures								
		9713	0.00	0.00		0.00		
All Others								
		9719	0.00	0.00		0.00		
b) Restricted								
		9740	0.00	0.00		0.00		
c) Committed								
Stabilization Arrangements								
		9750	0.00	0.00		0.00		
Other Commitments								
		9760	3,925.00	0.00		0.00		
d) Assigned								
Other Assignments								
		9780	0.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties								
		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount								
		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
FEDERAL REVENUE								
Interagency Contracts Between LEAs		8285	0.00	0.00	0.00	0.00	0.00	0.0%
NCLB / IASA (incl. ARRA)	3000-3299, 4000-4139, 4201-4215, 4610, 5510	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Vocational and Applied Technology Education	3500-3699	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Safe and Drug Free Schools	3700-3799	8290	0.00	0.00	0.00	0.00	0.00	0.0%
Other Federal Revenue (incl. ARRA)	All Other	8290	155,849.00	142,805.00	29,919.55	142,805.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			155,849.00	142,805.00	29,919.55	142,805.00	0.00	0.0%
OTHER STATE REVENUE								
Other State Apportionments								
All Other State Apportionments - Current Year	All Other	8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years	All Other	8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	500.00	500.00	177.45	500.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Adult Education Fees		8671	670,000.00	670,000.00	185,358.63	670,000.00	0.00	0.0%
Interagency Services		8677	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	48,000.00	48,000.00	98,395.00	48,000.00	0.00	0.0%
Tuition		8710	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			718,500.00	718,500.00	283,931.08	718,500.00	0.00	0.0%
TOTAL, REVENUES			874,349.00	861,305.00	313,850.63	861,305.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Certificated Teachers' Salaries		1100	146,225.00	122,672.00	87,948.66	122,672.00	0.00	0.0%
Certificated Pupil Support Salaries		1200	0.00	0.00	0.00	0.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	127,841.00	141,925.00	73,433.47	141,925.00	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			274,066.00	264,597.00	161,382.13	264,597.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Instructional Salaries		2100	0.00	0.00	0.00	0.00	0.00	0.0%
Classified Support Salaries		2200	0.00	0.00	0.00	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	136,977.00	140,350.00	74,927.04	140,350.00	0.00	0.0%
Other Classified Salaries		2900	151,300.00	137,300.00	89,974.57	137,300.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			288,277.00	277,650.00	164,901.61	277,650.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	22,613.00	23,912.00	11,257.34	23,912.00	0.00	0.0%
PERS		3201-3202	19,490.00	18,263.00	8,532.31	18,263.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	23,906.00	23,073.00	15,448.42	23,073.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	3,636.00	3,586.00	911.66	3,586.00	0.00	0.0%
Unemployment Insurance		3501-3502	9,054.00	9,158.00	5,526.92	9,158.00	0.00	0.0%
Workers' Compensation		3601-3602	7,005.00	7,089.00	4,277.53	7,089.00	0.00	0.0%
OPEB, Allocated		3701-3702	2,137.00	3,071.00	1,778.91	3,071.00	0.00	0.0%
OPEB, Active Employees		3751-3752	1,186.00	1,324.00	700.30	1,324.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	40,691.00	41,064.00	16,918.15	41,064.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			129,718.00	130,540.00	65,351.54	130,540.00	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Other Reference Materials		4200	1,800.00	1,800.00	1,616.77	1,800.00	0.00	0.0%
Materials and Supplies		4300	34,380.00	43,532.00	13,990.84	43,532.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			36,180.00	45,332.00	15,607.61	45,332.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	650.00	650.00	638.78	650.00	0.00	0.0%
Dues and Memberships		5300	140.00	140.00	137.00	140.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	24,850.00	25,127.00	13,810.02	25,127.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	53,000.00	57,726.00	41,817.30	57,726.00	0.00	0.0%
Communications		5900	30,000.00	26,000.00	18,751.78	26,000.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			108,640.00	109,643.00	75,154.88	109,643.00	0.00	0.0%
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Tuition								
Tuition, Excess Costs, and/or Deficit Payments Payments to Districts or Charter Schools		7141	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to County Offices		7142	0.00	0.00	0.00	0.00	0.00	0.0%
Payments to JPAs		7143	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs - Interfund		7350	33,543.00	33,543.00	0.00	33,543.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			33,543.00	33,543.00	0.00	33,543.00	0.00	0.0%
TOTAL EXPENDITURES			870,424.00	861,305.00	482,397.77	861,305.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	425,000.00	425,000.00	157,330.74	425,000.00	0.00	0.0%
3) Other State Revenue		8300-8599	39,000.00	39,000.00	9,924.88	39,000.00	0.00	0.0%
4) Other Local Revenue		8600-8799	2,610,500.00	2,200,500.00	1,077,026.88	2,200,500.00	0.00	0.0%
5) TOTAL, REVENUES			3,074,500.00	2,664,500.00	1,244,282.50	2,664,500.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	1,311,837.00	1,248,529.00	660,502.53	1,248,529.00	0.00	0.0%
3) Employee Benefits		3000-3999	544,706.00	490,911.00	238,760.83	490,911.00	0.00	0.0%
4) Books and Supplies		4000-4999	1,097,000.00	1,097,000.00	418,918.03	1,097,000.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	79,200.00	79,200.00	66,446.08	79,200.00	0.00	0.0%
6) Capital Outlay		6000-6999	15,000.00	15,000.00	18,556.95	15,000.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	146,045.00	146,045.00	0.00	146,045.00	0.00	0.0%
9) TOTAL, EXPENDITURES			3,193,788.00	3,076,685.00	1,403,184.42	3,076,685.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(119,288.00)	(412,185.00)	(158,901.92)	(412,185.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(119,288.00)	(412,185.00)	(158,901.92)	(412,185.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	802,857.81	802,857.81		802,857.81	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			802,857.81	802,857.81		802,857.81		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			802,857.81	802,857.81		802,857.81		
2) Ending Balance, June 30 (E + F1e)			683,569.81	390,672.81		390,672.81		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	0.00		0.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Expenditures		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Restricted		9740	683,569.81	390,672.81		390,672.81		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	0.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
REVENUE LIMIT SOURCES								
Revenue Limit Transfers								
Unrestricted Revenue Limit Transfers - Current Year	0000	8091	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Revenue Limit Transfers - Current Year	All Other	8091	0.00	0.00	0.00	0.00	0.00	0.0%
Revenue Limit Transfers - Prior Years		8099	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, REVENUE LIMIT SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
FEDERAL REVENUE								
Child Nutrition Programs		8220	425,000.00	425,000.00	157,330.74	425,000.00	0.00	0.0%
Other Federal Revenue (incl. ARRA)		8290	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, FEDERAL REVENUE			425,000.00	425,000.00	157,330.74	425,000.00	0.00	0.0%
OTHER STATE REVENUE								
Child Nutrition Programs		8520	39,000.00	39,000.00	9,924.88	39,000.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			39,000.00	39,000.00	9,924.88	39,000.00	0.00	0.0%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Food Service Sales		8634	2,538,000.00	2,128,000.00	1,042,927.36	2,128,000.00	0.00	0.0%
Leases and Rentals		8650	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	5,000.00	5,000.00	2,153.11	5,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
Interagency Services		8677	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	67,500.00	67,500.00	31,946.41	67,500.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			2,610,500.00	2,200,500.00	1,077,026.88	2,200,500.00	0.00	0.0%
TOTAL, REVENUES			3,074,500.00	2,664,500.00	1,244,282.50	2,664,500.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Certificated Supervisors' and Administrators' Salaries		1300	0.00	0.00	0.00	0.00	0.00	0.0%
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Support Salaries		2200	802,451.00	769,179.00	380,313.74	769,179.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	473,425.00	443,389.00	259,616.63	443,389.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	35,961.00	35,961.00	20,572.16	35,961.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			1,311,837.00	1,248,529.00	660,502.53	1,248,529.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	110,245.00	105,402.00	56,147.68	105,402.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	100,354.00	95,514.00	50,624.44	95,514.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	15,121.00	14,852.00	6,164.73	14,852.00	0.00	0.0%
Unemployment Insurance		3501-3502	21,121.00	20,103.00	12,194.73	20,103.00	0.00	0.0%
Workers' Compensation		3601-3602	16,345.00	15,556.00	9,553.39	15,556.00	0.00	0.0%
OPEB, Allocated		3701-3702	4,985.00	6,742.00	4,160.17	6,742.00	0.00	0.0%
OPEB, Active Employees		3751-3752	5,180.00	5,785.00	1,967.02	5,785.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	271,355.00	226,957.00	97,948.67	226,957.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			544,706.00	490,911.00	238,760.83	490,911.00	0.00	0.0%
BOOKS AND SUPPLIES								
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	16,000.00	16,000.00	3,763.36	16,000.00	0.00	0.0%
Noncapitalized Equipment		4400	21,000.00	21,000.00	21,477.29	21,000.00	0.00	0.0%
Food		4700	1,060,000.00	1,060,000.00	393,677.38	1,060,000.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			1,097,000.00	1,097,000.00	418,918.03	1,097,000.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	4,200.00	4,200.00	1,404.16	4,200.00	0.00	0.0%
Dues and Memberships		5300	600.00	600.00	194.75	600.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	52,400.00	52,400.00	49,499.88	52,400.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	2,200.00	2,200.00	682.26	2,200.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	19,800.00	19,800.00	14,665.03	19,800.00	0.00	0.0%
Communications		5900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			79,200.00	79,200.00	66,446.08	79,200.00	0.00	0.0%
CAPITAL OUTLAY								
Buildings and Improvements of Buildings		6200	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	10,000.00	10,000.00	18,556.95	10,000.00	0.00	0.0%
Equipment Replacement		6500	5,000.00	5,000.00	0.00	5,000.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			15,000.00	15,000.00	18,556.95	15,000.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO - TRANSFERS OF INDIRECT COSTS								
Transfers of Indirect Costs - Interfund		7350	146,045.00	146,045.00	0.00	146,045.00	0.00	0.0%
TOTAL, OTHER OUTGO - TRANSFERS OF INDIRECT COSTS			146,045.00	146,045.00	0.00	146,045.00	0.00	0.0%
TOTAL, EXPENDITURES			3,193,788.00	3,076,685.00	1,403,184.42	3,076,685.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: General Fund		8916	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	100.00	100.00	86.34	100.00	0.00	0.0%
5) TOTAL, REVENUES			100.00	100.00	86.34	100.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	0.00	0.00	0.00	0.00	0.00	0.0%
3) Employee Benefits		3000-3999	0.00	0.00	0.00	0.00	0.00	0.0%
4) Books and Supplies		4000-4999	0.00	0.00	0.00	0.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	0.00	0.00	0.00	0.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			0.00	0.00	0.00	0.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			100.00	100.00	86.34	100.00		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	24,600.00	24,600.00	0.00	24,600.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			24,600.00	24,600.00	0.00	24,600.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND								
BALANCE (C + D4)			24,700.00	24,700.00	86.34	24,700.00		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited			9791	31,674.11	31,674.11	31,674.11	0.00	0.0%
b) Audit Adjustments			9793	0.00	0.00	0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)				31,674.11	31,674.11	31,674.11		
d) Other Restatements			9795	0.00	0.00	0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)				31,674.11	31,674.11	31,674.11		
2) Ending Balance, June 30 (E + F1e)				56,374.11	56,374.11	56,374.11		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash			9711	0.00	0.00	0.00		
Stores			9712	0.00	0.00	0.00		
Prepaid Expenditures			9713	0.00	0.00	0.00		
All Others			9719	0.00	0.00	0.00		
b) Restricted			9740	0.00	0.00	0.00		
c) Committed								
Stabilization Arrangements			9750	0.00	0.00	0.00		
Other Commitments			9760	0.00	0.00	0.00		
d) Assigned								
Other Assignments			9780	56,374.11	56,374.11	56,374.11		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties			9789	0.00	0.00	0.00		
Unassigned/Unappropriated Amount			9790	0.00	0.00	0.00		

2011-12 Second Interim
Pupil Transportation Equipment Fund
Revenues, Expenditures, and Changes in Fund Balance

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER STATE REVENUE								
All Other State Apportionments - Current Year		8311	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Apportionments - Prior Years		8319	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	100.00	100.00	86.34	100.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Other Transfers of Apportionments								
From Districts or Charter Schools	All Other	8791	0.00	0.00	0.00	0.00	0.00	0.0%
From County Offices	All Other	8792	0.00	0.00	0.00	0.00	0.00	0.0%
From JPAs	All Other	8793	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			100.00	100.00	86.34	100.00	0.00	0.0%
TOTAL REVENUES			100.00	100.00	86.34	100.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CLASSIFIED SALARIES								
Classified Support Salaries		2200	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	0.00	0.00	0.00	0.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	0.00	0.00	0.00	0.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	0.00	0.00	0.00	0.00	0.00	0.0%
Unemployment Insurance		3501-3502	0.00	0.00	0.00	0.00	0.00	0.0%
Workers' Compensation		3601-3602	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Allocated		3701-3702	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			0.00	0.00	0.00	0.00	0.00	0.0%
BOOKS AND SUPPLIES								
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	0.00	0.00	0.00	0.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			0.00	0.00	0.00	0.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			0.00	0.00	0.00	0.00	0.00	0.0%
CAPITAL OUTLAY								
Equipment		6400	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Debt Service								
Debt Service - Interest		7438	0.00	0.00	0.00	0.00	0.00	0.0%
Other Debt Service - Principal		7439	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENDITURES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	24,600.00	24,600.00	0.00	24,600.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			24,600.00	24,600.00	0.00	24,600.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Restricted Balances		8997	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			24,600.00	24,600.00	0.00	24,600.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	20,000.00	20,000.00	6,870.89	20,000.00	0.00	0.0%
5) TOTAL, REVENUES			20,000.00	20,000.00	6,870.89	20,000.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	0.00	0.00	0.00	0.00	0.00	0.0%
3) Employee Benefits		3000-3999	0.00	0.00	0.00	0.00	0.00	0.0%
4) Books and Supplies		4000-4999	0.00	0.00	0.00	0.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	0.00	0.00	0.00	0.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			0.00	0.00	0.00	0.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			20,000.00	20,000.00	6,870.89	20,000.00		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND								
BALANCE (C + D4)			20,000.00	20,000.00	6,870.89	20,000.00		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited								
		9791	2,426,742.45	2,426,742.45		2,426,742.45	0.00	0.0%
b) Audit Adjustments								
		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)								
			2,426,742.45	2,426,742.45		2,426,742.45		
d) Other Restatements								
		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)								
			2,426,742.45	2,426,742.45		2,426,742.45		
2) Ending Balance, June 30 (E + F1e)								
			2,446,742.45	2,446,742.45		2,446,742.45		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash								
		9711	0.00	0.00		0.00		
Stores								
		9712	0.00	0.00		0.00		
Prepaid Expenditures								
		9713	0.00	0.00		0.00		
All Others								
		9719	0.00	0.00		0.00		
b) Restricted								
		9740	0.00	0.00		0.00		
c) Committed								
Stabilization Arrangements								
		9750	0.00	0.00		0.00		
Other Commitments								
		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments								
		9780	0.00	0.00		0.00		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties								
		9789	2,446,742.45	2,446,742.45		2,446,742.45		
Unassigned/Unappropriated Amount								
		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	20,000.00	20,000.00	6,870.89	20,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			20,000.00	20,000.00	6,870.89	20,000.00	0.00	0.0%
TOTAL, REVENUES			20,000.00	20,000.00	6,870.89	20,000.00		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
From: General Fund/CSSF		8912	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: General Fund/CSSF		7612	0.00	0.00	0.00	0.00	0.00	0.0%
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
To: Deferred Maintenance Fund		7615	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d)			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	342,000.00	355,300.00	267,159.36	355,300.00	0.00	0.0%
5) TOTAL, REVENUES			342,000.00	355,300.00	267,159.36	355,300.00		
B. EXPENDITURES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	268,461.00	270,727.00	157,741.71	270,727.00	0.00	0.0%
3) Employee Benefits		3000-3999	89,453.00	89,980.00	48,303.94	89,980.00	0.00	0.0%
4) Books and Supplies		4000-4999	170,000.00	223,871.00	146,842.00	223,871.00	0.00	0.0%
5) Services and Other Operating Expenditures		5000-5999	161,500.00	196,241.00	137,831.25	196,241.00	0.00	0.0%
6) Capital Outlay		6000-6999	0.00	21,610.00	13,338.30	21,610.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	344,000.00	344,000.00	343,981.82	344,000.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENDITURES			1,033,414.00	1,146,429.00	848,039.02	1,146,429.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(691,414.00)	(791,129.00)	(580,879.66)	(791,129.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(691,414.00)	(791,129.00)	(580,879.66)	(791,129.00)		
F. FUND BALANCE, RESERVES								
1) Beginning Fund Balance								
a) As of July 1 - Unaudited		9791	1,801,729.03	1,801,729.03		1,801,729.03	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			1,801,729.03	1,801,729.03		1,801,729.03		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Balance (F1c + F1d)			1,801,729.03	1,801,729.03		1,801,729.03		
2) Ending Balance, June 30 (E + F1e)			1,110,315.03	1,010,600.03		1,010,600.03		
Components of Ending Fund Balance								
a) Nonspendable								
Revolving Cash		9711	0.00	0.00		0.00		
Stores		9712	0.00	0.00		0.00		
Prepaid Expenditures		9713	0.00	0.00		0.00		
All Others		9719	0.00	0.00		0.00		
b) Legally Restricted Balance		9740	0.00	0.00		0.00		
c) Committed								
Stabilization Arrangements		9750	0.00	0.00		0.00		
Other Commitments		9760	0.00	0.00		0.00		
d) Assigned								
Other Assignments		9780	1,110,315.03	1,010,600.03		1,010,600.03		
e) Unassigned/Unappropriated								
Reserve for Economic Uncertainties		9789	0.00	0.00		0.00		
Unassigned/Unappropriated Amount		9790	0.00	0.00		0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER STATE REVENUE								
Tax Relief Subventions Restricted Levies - Other								
Homeowners' Exemptions		8575	0.00	0.00	0.00	0.00	0.00	0.0%
Other Subventions/In-Lieu Taxes		8576	0.00	0.00	0.00	0.00	0.00	0.0%
All Other State Revenue		8590	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER STATE REVENUE			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER LOCAL REVENUE								
County and District Taxes								
Other Restricted Levies Secured Roll		8615	0.00	0.00	0.00	0.00	0.00	0.0%
Unsecured Roll		8616	0.00	0.00	0.00	0.00	0.00	0.0%
Prior Years' Taxes		8617	0.00	0.00	0.00	0.00	0.00	0.0%
Supplemental Taxes		8618	0.00	0.00	0.00	0.00	0.00	0.0%
Non-Ad Valorem Taxes Parcel Taxes		8621	0.00	0.00	0.00	0.00	0.00	0.0%
Other		8622	0.00	0.00	0.00	0.00	0.00	0.0%
Community Redevelopment Funds Not Subject to RL Deduction		8625	0.00	0.00	0.00	0.00	0.00	0.0%
Penalties and Interest from Delinquent Non-Revenue Limit Taxes		8629	0.00	0.00	0.00	0.00	0.00	0.0%
Sales Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	15,000.00	15,000.00	3,895.63	15,000.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts Mitigation/Developer Fees		8681	327,000.00	340,300.00	263,263.73	340,300.00	0.00	0.0%
Other Local Revenue All Other Local Revenue		8699	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			342,000.00	355,300.00	267,159.36	355,300.00	0.00	0.0%
TOTAL, REVENUES			342,000.00	355,300.00	267,159.36	355,300.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Other Certificated Salaries		1900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Support Salaries		2200	0.00	0.00	0.00	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	217,209.00	219,316.00	127,861.33	219,316.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	51,252.00	51,411.00	29,880.38	51,411.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			268,461.00	270,727.00	157,741.71	270,727.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	29,324.00	29,571.00	17,229.97	29,571.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	20,538.00	20,711.00	9,909.75	20,711.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	3,167.00	3,137.00	1,903.63	3,137.00	0.00	0.0%
Unemployment Insurance		3501-3502	4,322.00	4,359.00	2,741.55	4,359.00	0.00	0.0%
Workers' Compensation		3601-3602	3,345.00	3,373.00	2,121.81	3,373.00	0.00	0.0%
OPEB, Allocated		3701-3702	1,020.00	1,462.00	820.96	1,462.00	0.00	0.0%
OPEB, Active Employees		3751-3752	1,611.00	1,799.00	927.92	1,799.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	26,126.00	25,568.00	12,648.35	25,568.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			89,453.00	89,980.00	48,303.94	89,980.00	0.00	0.0%
BOOKS AND SUPPLIES								
Approved Textbooks and Core Curricula Materials		4100	0.00	0.00	0.00	0.00	0.00	0.0%
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	0.00	51,073.00	61,284.40	51,073.00	0.00	0.0%
Noncapitalized Equipment		4400	170,000.00	172,798.00	85,557.60	172,798.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			170,000.00	223,871.00	146,842.00	223,871.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENDITURES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	0.00	0.00	0.00	0.00	0.00	0.0%
Insurance		5400-5450	0.00	0.00	0.00	0.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	96,000.00	126,050.00	91,631.83	126,050.00	0.00	0.0%
Transfers of Direct Costs		5710	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	10,500.00	13,616.00	13,615.48	13,616.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	55,000.00	56,575.00	32,583.94	56,575.00	0.00	0.0%
Communications		5900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENDITURES			161,500.00	196,241.00	137,831.25	196,241.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CAPITAL OUTLAY								
Land		6100	0.00	0.00	0.00	0.00	0.00	0.0%
Land Improvements		6170	0.00	0.00	0.00	0.00	0.00	0.0%
Buildings and Improvements of Buildings		6200	0.00	8,271.00	0.00	8,271.00	0.00	0.0%
Books and Media for New School Libraries or Major Expansion of School Libraries		6300	0.00	0.00	0.00	0.00	0.00	0.0%
Equipment		6400	0.00	13,339.00	13,338.30	13,339.00	0.00	0.0%
Equipment Replacement		6500	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CAPITAL OUTLAY			0.00	21,610.00	13,338.30	21,610.00	0.00	0.0%
OTHER OUTGO (excluding Transfers of Indirect Costs)								
Other Transfers Out								
All Other Transfers Out to All Others		7299	0.00	0.00	0.00	0.00	0.00	0.0%
Debt Service								
Debt Service - Interest		7438	44,000.00	44,000.00	43,981.82	44,000.00	0.00	0.0%
Other Debt Service - Principal		7439	300,000.00	300,000.00	300,000.00	300,000.00	0.00	0.0%
TOTAL, OTHER OUTGO (excluding Transfers of Indirect Costs)			344,000.00	344,000.00	343,981.82	344,000.00	0.00	0.0%
TOTAL EXPENDITURES			1,033,414.00	1,146,429.00	848,039.02	1,146,429.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	0.00	0.00	0.00	0.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			0.00	0.00	0.00	0.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
To: State School Building Fund/ County School Facilities Fund		7613	0.00	0.00	0.00	0.00	0.00	0.0%
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Proceeds								
Proceeds from Sale/Lease- Purchase of Land/Buildings		8953	0.00	0.00	0.00	0.00	0.00	0.0%
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
Long-Term Debt Proceeds								
Proceeds from Certificates of Participation		8971	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Capital Leases		8972	0.00	0.00	0.00	0.00	0.00	0.0%
Proceeds from Lease Revenue Bonds		8973	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Sources		8979	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
All Other Financing Uses		7699	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
CONTRIBUTIONS								
Contributions from Unrestricted Revenues		8980	0.00	0.00	0.00	0.00	0.00	0.0%
Contributions from Restricted Revenues		8990	0.00	0.00	0.00	0.00	0.00	0.0%
(e) TOTAL, CONTRIBUTIONS			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d + e)			0.00	0.00	0.00	0.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
A. REVENUES								
1) Revenue Limit Sources		8010-8099	0.00	0.00	0.00	0.00	0.00	0.0%
2) Federal Revenue		8100-8299	0.00	0.00	0.00	0.00	0.00	0.0%
3) Other State Revenue		8300-8599	0.00	0.00	0.00	0.00	0.00	0.0%
4) Other Local Revenue		8600-8799	692,750.00	692,750.00	551,278.17	692,750.00	0.00	0.0%
5) TOTAL, REVENUES			692,750.00	692,750.00	551,278.17	692,750.00		
B. EXPENSES								
1) Certificated Salaries		1000-1999	0.00	0.00	0.00	0.00	0.00	0.0%
2) Classified Salaries		2000-2999	0.00	0.00	0.00	0.00	0.00	0.0%
3) Employee Benefits		3000-3999	715,782.00	703,673.00	393,838.72	703,673.00	0.00	0.0%
4) Books and Supplies		4000-4999	0.00	0.00	0.00	0.00	0.00	0.0%
5) Services and Other Operating Expenses		5000-5999	50,000.00	50,000.00	16,747.42	50,000.00	0.00	0.0%
6) Depreciation		6000-6999	0.00	0.00	0.00	0.00	0.00	0.0%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299, 7400-7499	0.00	0.00	0.00	0.00	0.00	0.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	0.00	0.00	0.00	0.00	0.00	0.0%
9) TOTAL, EXPENSES			765,782.00	753,673.00	410,586.14	753,673.00		
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			(73,032.00)	(60,923.00)	140,692.03	(60,923.00)		
D. OTHER FINANCING SOURCES/USES								
1) Interfund Transfers								
a) Transfers In		8900-8929	20,000.00	20,000.00	0.00	20,000.00	0.00	0.0%
b) Transfers Out		7600-7629	0.00	0.00	0.00	0.00	0.00	0.0%
2) Other Sources/Uses								
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	0.00	0.00	0.00	0.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			20,000.00	20,000.00	0.00	20,000.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
E. NET INCREASE (DECREASE) IN NET ASSETS (C + D4)			(53,032.00)	(40,923.00)	140,692.03	(40,923.00)		
F. NET ASSETS								
1) Beginning Net Assets								
a) As of July 1 - Unaudited		9791	(3,843,838.96)	(3,843,838.96)		(3,843,838.96)	0.00	0.0%
b) Audit Adjustments		9793	0.00	0.00		0.00	0.00	0.0%
c) As of July 1 - Audited (F1a + F1b)			(3,843,838.96)	(3,843,838.96)		(3,843,838.96)		
d) Other Restatements		9795	0.00	0.00		0.00	0.00	0.0%
e) Adjusted Beginning Net Assets (F1c + F1d)			(3,843,838.96)	(3,843,838.96)		(3,843,838.96)		
2) Ending Net Assets, June 30 (E + F1e)			(3,896,870.96)	(3,884,761.96)		(3,884,761.96)		
Components of Ending Net Assets								
a) Capital Assets, Net of Related Debt		9796	0.00	0.00		0.00		
b) Restricted Net Assets		9797	0.00	0.00		0.00		
c) Unrestricted Net Assets		9790	(3,896,870.96)	(3,884,761.96)		(3,884,761.96)		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
OTHER LOCAL REVENUE								
Sales								
Sale of Equipment/Supplies		8631	0.00	0.00	0.00	0.00	0.00	0.0%
Interest		8660	2,750.00	2,750.00	1,235.32	2,750.00	0.00	0.0%
Net Increase (Decrease) in the Fair Value of Investments		8662	0.00	0.00	0.00	0.00	0.00	0.0%
Fees and Contracts								
In-District Premiums/Contributions		8674	550,000.00	550,000.00	469,724.15	550,000.00	0.00	0.0%
All Other Fees and Contracts		8689	0.00	0.00	0.00	0.00	0.00	0.0%
Other Local Revenue								
All Other Local Revenue		8699	140,000.00	140,000.00	80,318.70	140,000.00	0.00	0.0%
All Other Transfers In from All Others		8799	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER LOCAL REVENUE			692,750.00	692,750.00	551,278.17	692,750.00	0.00	0.0%
TOTAL, REVENUES			692,750.00	692,750.00	551,278.17	692,750.00		

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
CERTIFICATED SALARIES								
Certificated Pupil Support Salaries		1200	0.00	0.00	0.00	0.00	0.00	0.0%
Certificated Supervisors' and Administrators' Salaries		1300	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CERTIFICATED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
CLASSIFIED SALARIES								
Classified Support Salaries		2200	0.00	0.00	0.00	0.00	0.00	0.0%
Classified Supervisors' and Administrators' Salaries		2300	0.00	0.00	0.00	0.00	0.00	0.0%
Clerical, Technical and Office Salaries		2400	0.00	0.00	0.00	0.00	0.00	0.0%
Other Classified Salaries		2900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, CLASSIFIED SALARIES			0.00	0.00	0.00	0.00	0.00	0.0%
EMPLOYEE BENEFITS								
STRS		3101-3102	0.00	0.00	0.00	0.00	0.00	0.0%
PERS		3201-3202	0.00	0.00	0.00	0.00	0.00	0.0%
OASDI/Medicare/Alternative		3301-3302	0.00	0.00	0.00	0.00	0.00	0.0%
Health and Welfare Benefits		3401-3402	0.00	0.00	0.00	0.00	0.00	0.0%
Unemployment Insurance		3501-3502	0.00	0.00	0.00	0.00	0.00	0.0%
Workers' Compensation		3601-3602	0.00	0.00	0.00	0.00	0.00	0.0%
OPEB, Allocated		3701-3702	715,782.00	703,673.00	393,838.72	703,673.00	0.00	0.0%
OPEB, Active Employees		3751-3752	0.00	0.00	0.00	0.00	0.00	0.0%
PERS Reduction		3801-3802	0.00	0.00	0.00	0.00	0.00	0.0%
Other Employee Benefits		3901-3902	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EMPLOYEE BENEFITS			715,782.00	703,673.00	393,838.72	703,673.00	0.00	0.0%
BOOKS AND SUPPLIES								
Books and Other Reference Materials		4200	0.00	0.00	0.00	0.00	0.00	0.0%
Materials and Supplies		4300	0.00	0.00	0.00	0.00	0.00	0.0%
Noncapitalized Equipment		4400	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, BOOKS AND SUPPLIES			0.00	0.00	0.00	0.00	0.00	0.0%
SERVICES AND OTHER OPERATING EXPENSES								
Subagreements for Services		5100	0.00	0.00	0.00	0.00	0.00	0.0%
Travel and Conferences		5200	0.00	0.00	0.00	0.00	0.00	0.0%
Dues and Memberships		5300	0.00	0.00	0.00	0.00	0.00	0.0%
Insurance		5400-5450	50,000.00	50,000.00	16,747.42	50,000.00	0.00	0.0%
Operations and Housekeeping Services		5500	0.00	0.00	0.00	0.00	0.00	0.0%
Rentals, Leases, Repairs, and Noncapitalized Improvements		5600	0.00	0.00	0.00	0.00	0.00	0.0%
Transfers of Direct Costs - Interfund		5750	0.00	0.00	0.00	0.00	0.00	0.0%
Professional/Consulting Services and Operating Expenditures		5800	0.00	0.00	0.00	0.00	0.00	0.0%
Communications		5900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, SERVICES AND OTHER OPERATING EXPENSES			50,000.00	50,000.00	16,747.42	50,000.00	0.00	0.0%

Description	Resource Codes	Object Codes	Original Budget (A)	Board Approved Operating Budget (B)	Actuals To Date (C)	Projected Year Totals (D)	Difference (Col B & D) (E)	% Diff Column B & D (F)
DEPRECIATION								
Depreciation Expense		6900	0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, DEPRECIATION			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, EXPENSES			765,782.00	753,673.00	410,586.14	753,673.00		
INTERFUND TRANSFERS								
INTERFUND TRANSFERS IN								
Other Authorized Interfund Transfers In		8919	20,000.00	20,000.00	0.00	20,000.00	0.00	0.0%
(a) TOTAL, INTERFUND TRANSFERS IN			20,000.00	20,000.00	0.00	20,000.00	0.00	0.0%
INTERFUND TRANSFERS OUT								
Other Authorized Interfund Transfers Out		7619	0.00	0.00	0.00	0.00	0.00	0.0%
(b) TOTAL, INTERFUND TRANSFERS OUT			0.00	0.00	0.00	0.00	0.00	0.0%
OTHER SOURCES/USES								
SOURCES								
Other Sources								
Transfers from Funds of Lapsed/Reorganized LEAs		8965	0.00	0.00	0.00	0.00	0.00	0.0%
(c) TOTAL, SOURCES			0.00	0.00	0.00	0.00	0.00	0.0%
USES								
Transfers of Funds from Lapsed/Reorganized LEAs		7651	0.00	0.00	0.00	0.00	0.00	0.0%
(d) TOTAL, USES			0.00	0.00	0.00	0.00	0.00	0.0%
TOTAL, OTHER FINANCING SOURCES/USES (a - b + c - d)			20,000.00	20,000.00	0.00	20,000.00		

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 23, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: Eric R. Dill, Assoc. Supt., Business Svcs.

SUBMITTED BY: Ken Noah, Superintendent

SUBJECT: APPROVAL OF AMENDMENT TO AGREEMENT / DOLINKA GROUP, LLC, / TO OBTAIN COMMUNITY INPUT RELATED TO POTENTIAL GENERAL OBLIGATION BOND MEASURE

EXECUTIVE SUMMARY

At the February 2, 2012 Meeting of the Board of Trustees, the Board was presented with an information item to consider entering into a contract with Tramutola LLC to advise the District during phases necessary to determine whether or not placing a general obligation bond on the ballot was feasible. Subsequent to that meeting, staff learned that the consultant who had been representing Tramutola left the firm to start her own company.

Based on the discussion at the February 2nd meeting and the change of direction with Tramutola, staff met with representatives of the Dolinka Group to determine whether it would be possible to engage that firm to assist with a limited scope of the work initially proposed by Tramutola. The Dolinka Group was the facilitator for the Long-Range Facilities Task Force, and was recently selected as financial advisor for the potential general obligation bond measure.

The Dolinka Group is able to assist the district with development of a community input program to help determine the feasibility and public support of a GO bond measure. The program will include seeking community input on bond projects through key stakeholders and conducting a limited public opinion poll to gauge the general community's interest in supporting a bond measure. The opinion poll will be shorter in length than our previous poll, but will be able to test the voters' opinions in light of the changing political climate and other competing propositions they will need to consider.

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Factual, non-advocacy information and materials will be created to inform the public of the facilities master plan and scope of the potential bond. Finally, the Dolinka Group will be able to assist us with drafting the ballot proposition language.

California law prohibits the use of District funds, services, supplies or equipment for the purpose of urging the passage or defeat of any school measure, including school bond measures. The services provided by the Dolinka Group are permissible and will be paid from Capital Facilities Fund 25-18. General Fund dollars will not be used.

RECOMMENDATION:

It is recommended that the Board approve amending the agreement entered into with Dolinka Group, LLC to obtain community input related to placing a GO Bond measure on the ballot, including developing a community outreach program, identifying key stakeholders, creating factual non-advocacy information and material, designing, conducting, and interpreting a limited baseline public opinion poll, and development of potential ballot language, during the period March 1, 2012 through July 31, 2012, in the amount of \$2,000.00 per month, and during the period August 1, 2012 through August 15, 2012, in the amount of \$1,500.00, plus \$18,000.00 at the time the limited baseline public opinion poll is completed, plus expenses related to the expanded scope of work, and authorize Christina M. Bennett, Eric R. Dill, or Ken Noah to execute the agreement.

FUNDING SOURCE:

Capital Facilities Fund 25-18

San Dieguito Union High School District

INFORMATION REGARDING BOARD AGENDA ITEM

TO: BOARD OF TRUSTEES

DATE OF REPORT: February 16, 2012

BOARD MEETING DATE: March 1, 2012

PREPARED BY: John Addleman, Director of Planning and
Financial Management
Eric Dill, Assoc. Supt. of Business Services

SUBMITTED BY: Ken Noah
Superintendent

SUBJECT: **ADOPTION OF RESOLUTION / 2012A
LEASE REVENUE BONDS / TORREY PINES
HIGH SCHOOL PROJECTS**

EXECUTIVE SUMMARY

At the February 16, 2012 board meeting information was provided regarding the financing of projects at Torrey Pines High School this summer.

Staff proposes to fund \$2M for repairs to facilities at Torrey Pines High School by issuing lease revenue bonds. The bonds would have an eight year term with interest only payments in the first three fiscal years, after which level interest and principal payments would be made. The bonds would be paid for by contributions from the Torrey Pines High School Foundation, Pop Warner, and the District's general fund, in part by facility rental fees. Should the District be successful in passing a Prop 39 general obligation (GO) bond measure, future GO bond proceeds may be used to pay off this bond.

Staff has been working closely with De La Rosa & Co. (Underwriter), Fieldman, Rolapp & Associates (Financial Advisor), and Manatt, Phelps, and Phillips (Bond Counsel) to develop the best financing plan. Given ever changing market conditions, the financing plan may be put on hold should rates move unfavorably such that \$2M in process is not available between now and the proposed pre-pricing call tentatively scheduled March 21, 2012.

Proposed Financing Structure

Staff is recommending issuance of lease revenue bonds. Lease financing is similar to a lease-leaseback mechanism whereby a school district leases property to a third party and, in consideration of the use of the property, makes periodic lease payments back to the third party during the term of the lease. Unlike GO or Mello-Roos bonds that are collateralized by special taxes on homes in the district, the ultimate backstop for lease revenue bonds is the District's general fund.

Lease Financing Structure

The lease financing will work as follows:

- The District leases the premises to the San Dieguito Public Facilities Authority
- Authority will issue lease revenue bonds in the amount of \$2.5M
- Authority subleases the premises (Torrey Pines High School) to the District
- The District pays rent for use of the premises to the Authority
- Authority pledges rental income to a Trustee for the benefit of the owners of the lease revenue bonds

Impact on the general fund:

- District will covenant in the Facility Sublease to include all rental payments in its annual budget and to make the necessary appropriations
- District's obligation to the Authority is not a traditional debt on the General Fund, however, the District is obligated to make rental payments from any source of legally available funds

The total principal amount of the bond would be \$2.5M, with a little more than \$2M being available for projects. The coupon rate is estimated at 4%. The bond is expected to trade above its par value, creating a premium of approximately \$44K. Typically a bond will trade at premium when it offers a coupon rate that is higher than prevailing interest rates. This is because investors want a higher yield and will pay more for it. This will effectively lower the yield to the investor in the early years to 2.4% and then moving up to the coupon rate of 4% in the final year. \$250K would be used to fund a reserve fund in lieu of a surety. Interest earnings from the reserve fund would be used to offset annual debt service, and in the final year the reserve fund would be closed and used to pay down outstanding principal. \$92K would be used to capitalize interest in the first fiscal year, alleviating the burden from the district's general fund. The estimated cost of issuance, including the underwriter's discount, is approximately \$196K.

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Estimate of Costs:

Bond Counsel (Manatt, et al)	\$62,500
Tax Counsel (Perry Israel)	\$12,500
Underwriter's Counsel (Orrick, et al)	\$25,000
District Counsel (Laura Romano)	\$ 3,000
Financial Advisor (Fieldman Rolapp)	\$25,000
Rating Agency (tbd)	\$10,000
Printer (tbd)	\$ 5,000
Title (First American)	\$10,000
Trustee (US Bank)	\$ 6,200
Statistical Analysts (CalMuni)	\$ 500
Underwriter (De La Rosa) (not to exceed)	\$31,250
Misc. Costs/Contingency	\$ 7,800

Understanding the inherent risks of this type of financing, staff has attempted to mitigate short term risk to the general fund by proposing an eight year term, where interest only payments of less than \$100,000 are payable in the first three fiscal years, and level interest and principal payments of \$560,000 are deferred to the last five fiscal years of repayment. By deferring principal, facility rental use along with contributions from the Foundation will help to largely offset the early interest only payments and provide time to secure principal repayment in a fashion that is not detrimental to the instructional program.

Net Debt Service

		Less:	Less:	General Fund
	Total	Debt Svc	Capitalized	Net
FY	Debt Svc	Reserve Fund	Interest Fund	Debt Svc
12/13	\$ 91,666.67	\$ 2,291.67	\$ 89,375.00	\$ -
13/14	\$ 100,000.00	\$ 2,500.00	\$ 2,291.67	\$ 95,208.33
14/15	\$ 100,000.00	\$ 2,500.00		\$ 97,500.00
15/16	\$ 560,000.00	\$ 2,500.00		\$ 557,500.00
16/17	\$ 561,600.00	\$ 2,500.00		\$ 559,100.00
17/18	\$ 562,400.00	\$ 2,500.00		\$ 559,900.00
18/19	\$ 562,400.00	\$ 2,500.00		\$ 559,900.00
19/20	\$ 561,600.00	\$ 252,500.00		\$ 309,100.00
	\$ 3,099,666.67			\$ 2,738,208.33

Proposed Projects

Torrey Pines High School

Project #1:

The synthetic field and track installed in 2003 at Torrey Pines High School, are reaching the end of their useful life. In order to avoid a closure of the field, staff is proposing to replace the field and track. The estimated construction cost is \$1.25M.

Project #2

Over the last several years, repairs to the roof and replacement of aging HVAC units have been completed at Building B. In order to prevent water damage in classrooms and to continue to provide a healthy environment for students and staff, staff is proposing to reroof the north-west portion of Building B, in addition to replacing 3 aging HVAC units with new energy efficient HVAC units. The estimated construction cost is \$450K.

Project #3

At Building E, 6 exposed ground mounted HVAC units are deteriorating. Keeping in line with the District's master plan, the units will be replaced with rooftop units and configured as such as to eventually bring air conditioning to the entire building in the future. The proposed work at Building E would provide an opportunity at the adjacent Building G to tie its systems into the District's energy management system, in order to better manage the use of Building G's HVAC units. The estimated construction cost is \$302K.

RECOMMENDATION:

It is recommended that the Board adopt the attached Resolution of the Board of Trustees of the San Dieguito Union High School District (The "Board") Authorizing the Issuance by the San Dieguito Public Facilities Authority of Lease Revenue Bonds, Distribution of an Official Statement and Taking Certain Other Actions Related Thereto.

FUNDING SOURCE:

N/A

RESOLUTION OF THE BOARD OF TRUSTEES OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT (THE “BOARD”) AUTHORIZING THE ISSUANCE BY THE SAN DIEGUITO PUBLIC FACILITIES AUTHORITY OF LEASE REVENUE BONDS, DISTRIBUTION OF AN OFFICIAL STATEMENT AND TAKING CERTAIN OTHER ACTIONS RELATED THERETO

WHEREAS, the San Dieguito Union High School District (the “**School District**”) and Community Facilities District No. 94-1 of the School District formed the San Dieguito Public Facilities Authority (the “**Authority**”) pursuant to a “Joint Exercise of Powers Agreement”;

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (§ 6500 et seq.) (hereinafter, the “**Act**”);

WHEREAS, Article 4 of the Act (§ 6584 et seq.) authorizes and empowers the Authority to issue bonds to finance certain public improvements or working capital whenever a local agency determines that there are significant public benefits from doing so;

WHEREAS, in order to assist the School District in financing and constructing various public facilities benefitting the School District, the Authority proposes to issue its San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the “**Bonds**”) in an aggregate principal amount not to exceed \$2,500,000;

WHEREAS, the Authority proposes to issue the Bonds pursuant to a Trust Agreement (“**Trust Agreement**”) to be entered into between the Authority and U.S. Bank National Association, as trustee (“**Trustee**”);

WHEREAS, the Bonds will be offered to the public pursuant to an official statement to be distributed to the public by De La Rosa & Co., Inc. (the “**Underwriter**”), as underwriter for the Bonds containing information about the School District;

WHEREAS, in order to be prepared for changes in the financial market which may occur prior to the issuance of the Bonds and which, if deemed to be in the best interest of the Authority, may make it more advantageous to have all or a portion of the Bonds sold in a private placement, the Authority proposes to approve a private placement of all or a portion of the Bonds in lieu of a public offering of all or a portion of the Bonds;

WHEREAS, in connection with the issuance of the Bonds, the School District will lease to the Authority Torrey Pines High School located in San Diego, California (excluding certain facilities at Torrey Pines High School that were financed pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended) (collectively, the “**Leased Facilities**”) and the Authority will sublease the Leased Facilities back to the School District;

WHEREAS, the proceeds of the Bonds will be used to pay costs of issuance of the Bonds and the costs of certain capital improvements at Torrey Pines High School;

WHEREAS, the School District is authorized to undertake all of the above pursuant to applicable laws of the State of California;

NOW, THEREFORE, this Board does find, resolve, determine and order as follows:

Section 1. *Bond Financing.* This Board finds that there will be significant public benefit in (i) the Authority issuing the Bonds, entering into a Trust Agreement substantially in the form attached hereto as Exhibit A, a Continuing Disclosure Certificate in connection therewith substantially in the form attached hereto as Exhibit B, and a Bond Purchase Contract substantially in the form attached hereto as Exhibit C, and (ii) in connection with the issuance of the Bonds, the School District leasing to and subleasing back from the Authority the Leased Facilities pursuant to the terms and conditions set forth in a Lease Agreement (the “**Lease Agreement**”) and a Sublease Agreement (the “**Sublease Agreement**”), each between the Authority and the School District.

Section 2. *Lease Agreement and Sublease Agreement.* The forms of Lease Agreement and Sublease Agreement, presented at this meeting, are hereby authorized and approved. The members of this Board, the officers of the School District and their authorized representatives, including but not limited to the Associate Superintendent of Business Services of the School District are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the School District, to execute and deliver the Lease Agreement substantially in the form attached hereto as Exhibit D and the Sublease Agreement substantially in the form attached hereto as Exhibit E.

Section 3. *Official Statement.* The Underwriter for the Bonds is authorized to distribute an official statement of the Authority (in preliminary and final form) containing information relating to the School District, substantially in the form attached hereto as Exhibit F.

Section 4. *Section 17150 Notice.* Upon approval of the issuance of the Bonds by this Board, this Board resolves to provide notice to the San Diego County Auditor and the San Diego County Superintendent of Schools of such non-voter approved debt in accordance with Section 17150 of the Education Code (“**Section 17150 Notice**”). The members of this Board, the officers of the School District and their authorized representatives, including but not limited to the Associate Superintendent of Business Services of the School District are, and each of them acting alone is, hereby authorized and directed for and in the name of, and on behalf of the School District, to execute and deliver the Section 17150 Notice substantially in the form attached hereto as Exhibit G.

Section 5. *Private Placement.* This Board finds that there will be significant public benefit in the Authority electing, if it deems to be in the best interest of the Authority, to cause all or a portion of the Bonds to be sold in a private placement in lieu of a public offering of all or portion of the Bonds.

Section 6. *General Authorization.* The members of this Board, the officers of the School District and their authorized representatives, including but not limited to the Associate Superintendent of Business Services of the School District are, and each of them acting alone is, hereby authorized and directed to take such actions, and to execute such documents, instruments

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and certificates, directly or indirectly related and as may be necessary to obtain the financing relating to the Bonds and to otherwise effectuate the purposes of this Resolution.

Section 7. Ratification. All actions heretofore taken by the officers, employees and agents of the School District with respect to the transactions set forth above are hereby approved, confirmed and ratified.

This Resolution shall take effect immediately upon its passage.

[Remainder of this page intentionally left blank]

The foregoing Resolution was on the ____ day of _____, 2012 adopted by the Board of Trustees of the San Dieguito Union High School District.

**BOARD OF TRUSTEES OF THE SAN DIEGUITO
UNION HIGH SCHOOL DISTRICT**

By: _____
President

ATTEST:

By: _____
Title: _____

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STATE OF CALIFORNIA)

COUNTY OF SAN DIEGO)

I, Joyce Dalessandro, President of the Board of Trustees of the San Dieguito Union High School District (the “**Board**”) do hereby certify that the foregoing Resolution was duly adopted by the Board of said San Dieguito Union High School District acting as legislative body of the Community Facilities District No 94-1 at a meeting of said Board held on the 1st day of March, 2012, and that it was so adopted by the following vote:

AYES: MEMBERS: _____

NOES: MEMBERS: _____

ABSTAIN: MEMBERS: _____

ABSENT: MEMBERS: _____

President of the Board of Trustees

EXHIBIT A

Form of Trust Agreement

TRUST AGREEMENT

by and between the

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

and

U.S. BANK NATIONAL ASSOCIATION,
as Trustee

Dated as of [March 1], 2012

\$_[_____]

San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)

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THIS TRUST AGREEMENT dated as of [March 1], 2012 (the “Trust Agreement” or “Agreement”), by and between the SAN DIEGUITO PUBLIC FACILITIES AUTHORITY, a joint exercise of powers authority duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” between Community Facilities District No. 94-1 of the San Dieguito Union High School District and the San Dieguito Union High School District (the “Authority”), and U.S. BANK NATIONAL ASSOCIATION, a national banking association duly organized and existing under the laws of the United States of America, as trustee (the “Trustee”);

W I T N E S S E T H:

WHEREAS, the Authority is a joint exercise of powers authority duly organized and operating pursuant to Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (hereinafter, the “Act”);

WHEREAS, Article 4 of the Act authorizes and empowers the Authority to issue bonds to finance certain public improvements or working capital whenever a local agency determines that there are significant public benefits from doing so;

WHEREAS, the San Dieguito Union High School District (the “District”) will lease to the Authority certain capital assets of the District (the “Facility”) pursuant to the Facility Lease dated as of [March 1], 2012;

WHEREAS, the District will lease back the Facility from the Authority pursuant to the terms of the Facility Sublease dated as of [March 1], 2012;

WHEREAS, the District has determined to finance various capital projects as set forth in Exhibit C to the Facility Sublease (as amended from time to time, the “Project”);

WHEREAS, the Authority is empowered pursuant to the Facility Sublease and the aforementioned Article 4 of the Act to cause the lease of the Facility, and to cause the financing of the Project through the issuance of its bonds;

WHEREAS, the District has determined that the consummation of the transactions contemplated in the Facility Lease, the Facility Sublease and this Trust Agreement will result in significant public benefits;

WHEREAS, the Authority intends to assist the District in financing the Project by issuing the San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects), (the “Bonds”);

WHEREAS, on [_____], 2012, the Board of Trustees of the San Dieguito Union High School District (the “Board of Trustees”) approved certain resolutions (collectively, the “District Resolution”) approving the Facility Lease, the Facility Sublease and other documents associated with the financing of the Project through the issuance of the Bonds and authorizing their execution on behalf of the District;

WHEREAS, in the District Resolution, the Board of Trustees has determined, pursuant to Section 5922 of the Government Code of the State, that the execution and delivery of this Agreement will result in a reduction in the amount or duration of payments and lower the cost of borrowing when used in combination with the Bonds; and

WHEREAS, the Authority has authorized the issuance of the Bonds, in an aggregate principal amount of [_____] dollars (\$[_____]) to assist in financing the Project;

WHEREAS, to reduce the borrowing costs of the Authority and the base rental payments of the District, and to help the financing of the Project from which significant public benefit will be achieved, the Bonds shall be issued pursuant to Article 4 of the Act;

WHEREAS, to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the full and timely payment of the principal thereof and premium, if any, and interest thereon, the Authority has authorized the execution and delivery of this Trust Agreement;

WHEREAS, the Authority has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority and authenticated and delivered by the Trustee, duly issued and the valid, binding and legal obligations of the Authority payable in accordance with their terms, and to constitute this Trust Agreement a valid and binding agreement of the parties hereto for the uses and purposes herein set forth, have been done and taken, and have been in all respects duly authorized;

NOW, THEREFORE, THIS TRUST AGREEMENT WITNESSETH, that in order to secure the full and timely payment of the principal of, premium, if any, and interest on all Bonds at any time issued and outstanding under this Trust Agreement, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Holders thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective Holders from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01.Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes hereof and of any Supplemental Trust Agreement and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified, unless otherwise defined in such other document. Capitalized terms not otherwise defined herein shall have the meaning assigned to such terms in the Facility Sublease.

Act

The term “Act” means the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the Government Code of the State, as amended) and all laws amendatory thereof or supplemental thereto.

Annual Debt Service

The term “Annual Debt Service” means, for any Fiscal Year, the sum of (1) the interest payable on all Outstanding Bonds in such Fiscal Year, assuming that all Outstanding Bonds are paid at maturity or redeemed as scheduled in accordance with Section 4.01, (2) the principal amount of all Outstanding Bonds, if any, maturing by their terms in such Fiscal Year, and (3) the principal amount of all Outstanding Bonds, if any, required to be redeemed or paid in such Fiscal Year (together with the redemption premiums, if any, thereon).

Authority

The term “Authority” means the San Dieguito Public Facilities Authority created pursuant to the Act and its successors and assigns in accordance herewith.

Authorized Denominations

The term “Authorized Denominations” means with respect to the Bonds, \$5,000 or any integral multiple thereof.

Board of Trustees

The term “Board of Trustees” means the legislative body of the District.

Bond or Bonds

The terms “Bond” or “Bonds” means the San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects), authorized by and at any time Outstanding pursuant to this Trust Agreement and executed, issued and delivered in accordance with Sections 2.01, 2.02, 2.03 and 3.01.

Bond Counsel

The term “Bond Counsel” means counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the District.

Bondholder; Bondowner; Owner; Holder

The terms “Bondholder,” “Bondowner,” “Owner” or “Holder” mean, with respect to the Bonds, the person in whose name any Bond shall be registered.

Book-Entry Bonds

The term “Book-Entry Bonds” means Bonds registered in the name of the nominee of a Depository as the owner thereof pursuant to the terms and provisions of Section 2.08 of this Agreement.

Business Day

The term “Business Day” means a day that is not a Saturday, Sunday or legal holiday on which banking institutions in the State of New York or the State of California are authorized to remain closed, or a day on which the Federal Reserve system is closed.

Certificate of the Authority

The term “Certificate of the Authority” means an instrument in writing signed by any of the following officials of the Authority: the Chairperson or Vice-Chairperson of the Board of Directors, Secretary, Treasurer or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Authority for that purpose.

Certificate of the District

The term “Certificate of the District” means an instrument in writing signed by any of the following District officials: the President, Vice-President or Secretary of the Board of Trustees, Superintendent, Associate Superintendent of Business Services or by any such official’s duly appointed designee, or by any other officer of the District duly authorized by the Board of Trustees of the District for that purpose.

Code

The term “Code” means the Internal Revenue Code of 1986, as amended.

Continuing Disclosure Agreement

The term “Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Agreement executed by the District dated the date of issuance and delivery of the Bonds, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

Corporate Trust Office

The term “Corporate Trust Office” refers to the office of the Trustee noted in Section 13.12 and such other offices as the Trustee may designate from time to time.

Costs of Issuance

The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the District or the Authority and related to the authorization,

execution and delivery of the Facility Lease, the Facility Sublease, this Trust Agreement and the issuance and sale of the Bonds, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, fees and charges of the Trustee, legal fees and charges, fees and disbursements of consultants and professionals, fees and charges for preparation, execution and safekeeping of the Bonds, title search and title insurance fees, fees of the Authority and any other authorized cost, charge or fee in connection with the issuance of the Bonds.

Costs of Issuance Fund

The term “Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.01(b).

Demised Premises

The term “Demised Premises” means that certain real property situated in the County of San Diego, State of California, described in Exhibit A to the Facility Sublease, together with any additional real property added thereto or substituted therefor by any supplement or amendment thereto in accordance with the Facility Sublease and the Trust Agreement; subject, however, to any conditions, reservations, and easements of record or known to the District.

Depository

The term “Depository” means DTC or another recognized securities depository selected by the Authority which maintains a book-entry system for the Bonds.

Dissemination Agent

The term “Dissemination Agent” means the District or any successor appointed under the Continuing Disclosure Agreement.

District

The term “District” means the San Dieguito Union High School District, a school district organized and existing under the laws of the State of California.

DTC or The Depository Trust Company

The term “DTC” or “The Depository Trust Company” means The Depository Trust Company, New York, New York.

DTC Participant

Any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 8.01.

Facility

The term “Facility” shall mean Torrey Pines High School located on and including the Demised Premises (other than and specifically excluding the public school facilities and improvements financed directly or indirectly pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2, Title 5 of the Government Code of the State of California) together with any additional property added or substituted for all or any portion of such property in accordance with the Facility Sublease and this Trust Agreement and less any property released in accordance with the Facility Sublease and this Trust Agreement; subject, however, to any conditions, reservations, and easements of record or known to the District.

Facility Lease

The term “Facility Lease” means that certain lease by and between the District and the Authority, dated as of [March 1], 2012, whereby the District leased the Facility to the Authority, as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Facility Sublease

The term “Facility Sublease” means that certain lease, entitled “Facility Sublease,” by and between the District and the Authority, dated as of [March 1], 2012, whereby the Authority subleased the Facility back to the District, as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and thereof.

Federal Securities

The term “Federal Securities” means any direct, noncallable obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America) or any obligations the principal of and interest on which are unconditionally guaranteed (directly or indirectly) by the United States of America.

Financial Newspaper

The term “Financial Newspaper” means The Wall Street Journal or The Bond Buyer, or any other newspaper or journal printed in the English language, publishing financial news, and selected by the Authority.

Fiscal Year

The term “Fiscal Year” means the twelve (12) month period terminating on June 30 of each year, or any other annual accounting period hereafter selected and designated by the Authority as its Fiscal Year in accordance with applicable law.

Insurance and Condemnation Fund

The term “Insurance and Condemnation Fund” means the fund by that name created pursuant to Section 5.06.

Interest Account

The term “Interest Account” means the account by that name created pursuant to Section 5.03.

Interest Payment Date

The term “Interest Payment Date” means, (i) with respect to the Bonds, March 1 and September 1 in each year, commencing September 1, 2012, and (ii) such other dates as set forth in a Supplemental Trust Agreement with respect to a Series of Bonds.

Investment Securities

The term “Investment Securities” means any of the following that at the time are legal investments under the laws of the State of California for moneys held hereunder and then proposed to be invested therein (provided that the Trustee shall be entitled to rely upon any investment direction from the Authority as conclusive certification to the Trustee that the investments described therein are so authorized under the laws of the State of California):

i. any bonds or other obligations which as to principal and interest constitute direct obligations of, or are unconditionally guaranteed as to full and timely payment by, the United States of America, including obligations of any of the federal agencies and federally sponsored entities set forth in clause (iii) below to the extent unconditionally guaranteed by the United States of America and including interest strips of any such obligations or of bonds issued by the Resolution Funding Corporation and held in book-entry form by the Federal Reserve Bank of New York;

ii. any certificates, receipts, securities or other obligations evidencing ownership of, or the right to receive, a specified portion of one or more interest payments or principal payments, or any combination thereof, to be made on any bond, note, or other obligation described above in clause (i);

iii. obligations of Fannie Mae, the Government National Mortgage Association, Farm Credit System Financial Corporation, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Tennessee Valley Authority, Washington Metropolitan Area Transit Authority, United States Import-Export Bank, United States Department of Housing and

Urban Development, Farmers Home Administration, General Services Administration and United States Maritime Administration;

iv. housing authority bonds issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a pledge of annual contributions under an annual contributions contract or contracts with the United States of America; or project notes issued by public agencies or municipalities and fully secured as to the payment of both principal and interest by a requisition or payment agreement with the United States of America;

v. obligations of any state, territory or commonwealth of the United States of America or any political subdivision thereof or any agency or department of the foregoing; provided that such obligations are rated in the highest Rating Category by Moody's and Standard & Poor's;

vi. any bonds or other obligations of any state of the United States of America or any political subdivision thereof (a) which are not callable prior to maturity or as to which irrevocable instructions have been given to the paying agent of such bonds or other obligations by the obligor to give due notice of redemption and to call such bonds for redemption on the date or dates specified in such instructions, (b) which are secured as to principal and interest and redemption premium, if applicable, by a fund consisting only of cash or bonds or other obligations of the character described above in clause (i) or (ii) which fund may be applied only to the payment of such principal of and interest and redemption premium, if applicable, on such bonds or other obligations on the interest payment dates and the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, (c) as to which the principal of and interest on the bonds and obligations of the character described above in clause (i) or (ii) which have been deposited in such fund along with any cash on deposit in such fund are sufficient to pay the principal of and interest and redemption premium, if applicable, on the bonds or other obligations described in this clause (vi) on the interest payment dates and the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to in subclause (a) of this clause (vi), as appropriate, and (d) which are rated in the highest long-term Rating Category by Moody's and Standard & Poor's;

vii. demand or time deposits or certificates of deposit, whether negotiable or nonnegotiable, trust funds, trust accounts, interest-bearing deposits, overnight bank deposits, interest-bearing money market accounts or bankers acceptances issued by any bank or trust company (including, without limitation, the Trustee or any of its affiliates) organized under the laws of any state of the United States of America or any national banking association (including the Trustee or any of its affiliates) or by a state licensed branch of any foreign bank, provided that such certificates of deposit shall be purchased directly from such a bank, trust company, national banking association or branch and shall be either (1) continuously and fully insured by the Federal Deposit Insurance Corporation, or (2) continuously and fully secured by such securities and obligations as are described above in clauses (i) through (v), inclusive, which shall have a market value (exclusive of accrued interest) at all times at least equal to the principal amount of such certificates of deposit and shall be lodged with the Trustee or third-party agent, as custodian, by the bank, trust company, national banking association or branch issuing such

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certificates of deposit, and the bank, trust company, national banking association or branch issuing each such certificate of deposit required to be so secured shall furnish the Trustee with an undertaking satisfactory to the District that the aggregate market value of all such obligations securing each such certificate of deposit will at all times be an amount equal to the principal amount of each such certificate of deposit and the District shall be entitled to rely on each such undertaking;

viii. taxable commercial paper or tax-exempt commercial paper rated in the highest Rating Category by Moody's and Standard & Poor's which matures not more than 270 calendar days after the date of purchase;

ix. variable rate obligations required to be redeemed or purchased by the obligor or its agent or designee upon demand of the holder thereof secured as to such redemption or purchase requirement by a liquidity agreement with a corporation and as to the payment of interest and principal either upon maturity or redemption (other than upon demand by the holder thereof) thereof by an unconditional credit facility of a corporation, provided that the variable rate obligations themselves are rated in the highest short-term Rating Category, if any, and in the highest long-term Rating Category, if any, by Moody's and Standard & Poor's, and that the corporations providing the liquidity agreement and credit facility have, at the date of acquisition of the variable rate obligations by the Trustee, an outstanding issue of unsecured, uninsured and unguaranteed debt obligations rated in the highest long-term Rating Category by Moody's and Standard & Poor's;

x. any cash sweep or similar account arrangement of or available to the Trustee, the investments of which are limited to investments described in clauses (i), (ii), (iii), (iv), and (v) of this definition of Investment Securities and any money market fund including money market mutual funds having a rating in the highest investment category granted thereby from Standard & Poor's and Moody's, including, without limitation any mutual fund for which the Trustee or an affiliate of the Trustee serves as investment manager, administrator, shareholder servicing agent, and/or custodian or subcustodian, notwithstanding that (i) the Trustee or an affiliate of the Trustee receives fees from funds for services rendered, (ii) the Trustee collects fees for services rendered pursuant to this Trust Agreement, which fees are separate from the fees received from such funds, and (iii) services performed for such funds and pursuant to this Agreement may at times duplicate those provided to such funds by the Trustee or an affiliate of the Trustee;

xi. the Local Agency Investment Fund or similar pooled fund operated by or on behalf of the State of California and which is authorized to accept investments of moneys held in any of the funds or accounts established pursuant to this Trust Agreement;

xii. commercial paper having, at the time of investment or contractual commitment to invest therein, a rating from Standard & Poor's and Moody's in the highest rating category granted thereby; and

xiii. any other investment approved by the Authority (A) which does not cause the rating on the Bonds to be reduced or withdrawn and (B) so long as the Authority provides Standard & Poor's notice of such investment.

Maximum Annual Debt Service

The term “Maximum Annual Debt Service” means the largest Annual Debt Service during the period from the date of such determination through the final maturity date of any Outstanding Bonds.

Moody’s

The term “Moody’s” means Moody’s Investors Service, a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of Bond Counsel.

Outstanding

The term “Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 10.02) all Bonds except

- (1) Bonds theretofore cancelled by the Trustee or surrendered to the Trustee for cancellation;
- (2) Bonds paid or deemed to have been paid within the meaning of Section 11.01; and
- (3) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered by the Authority pursuant hereto.

Principal Account

The term “Principal Account” means the account by that name created pursuant to Section 5.03.

Project

The term “Project” means the project described in Exhibit C to the Facility Sublease.

Project Fund

The term “Project Fund” means the fund by that name established pursuant to Section 3.02.

Rating Category

The term “Rating Category” means: (i) with respect to any long-term rating category, all ratings designated by a particular letter or combination of letters, without regard to any numerical modifier, plus or minus sign or other modifier, and (ii) with respect to any short-term or commercial paper rating category, all ratings designated by a particular letter or combination of letters and taking into account any numerical modifier, but not any plus or minus sign or other modifier.

Record Date

The term “Record Date” means the fifteenth day of the month prior to an Interest Payment Date, whether or not such day is a Business Day.

Representation Letter

The term “Representation Letter” means the blanket letter of representation of the Authority to DTC or any similar letter to a substitute depository.

Reserve Fund

The term “Reserve Fund” means the fund by that name established pursuant to Section 5.04.

Reserve Fund Requirement

The term “Reserve Fund Requirement” means, as of any date of calculation, the least of (i) 10% of the initial stated principal amount of the Bonds, (ii) Maximum Annual Debt Service for the current or any future Fiscal Year, or (iii) 125% of average Annual Debt Service.

Responsible Officer

The term “Responsible Officer” means any officer of the Trustee assigned to administer its duties under this Trust Agreement.

Revenue Fund

The term “Revenue Fund” means the fund by that name established pursuant to Section 5.02(b).

Revenues

The term “Revenues” means (i) all Base Rental Payments (as defined in the Facility Sublease) and other payments paid by the District and received by the Authority pursuant to the Facility Sublease (but not Additional Payments (as defined in the Facility Sublease)), and (ii) all interest or other income from any investment, pursuant to Section 5.07, of any money in any fund or account established pursuant to this Trust Agreement or the Facility Sublease.

Standard & Poor's

The term "Standard & Poor's" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term "Standard & Poor's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the District.

State

The term "State" means the State of California.

Supplemental Trust Agreement

The term "Supplemental Trust Agreement" means any Trust Agreement then in full force and effect that has been duly executed and delivered by the Authority and the Trustee amendatory hereof or supplemental hereto; but only if and to the extent that such Supplemental Trust Agreement is executed and delivered pursuant to the provisions hereof.

Tax Certificate

The term "Tax Certificate" means the tax certificate and agreement concerning certain matters pertaining to the use of proceeds of the Bonds, executed and delivered by the Authority and the District on the date of issuance of the Bonds, including all exhibits attached thereto, as such certificate may from time to time be modified or supplemented in accordance with the terms thereof.

Trust Agreement

The term "Trust Agreement" means this Trust Agreement, dated as of [March 1], 2012, between the Authority and the Trustee, as originally executed and as it may from time to time be amended or supplemented by all Supplemental Trust Agreements executed pursuant to the provisions hereof.

Trustee

The term "Trustee" means U.S. Bank National Association, or any other association or corporation which may at any time be substituted in its place as provided in Section 9.01.

Written Request of the Authority

The term "Written Request of the Authority" means an instrument in writing signed by or on behalf of the Authority by the Chairperson or Vice-Chairperson of the Board of Directors, Secretary, Treasurer or a designee of any such officer, or by any other person (whether or not an officer of the Authority) who is specifically authorized by resolution of the Board of Directors of the Authority to sign or execute such a document on its behalf.

Written Request of the District

The term “Written Request of the District” means an instrument in writing signed by the President, Vice-President or Secretary of the Board of Trustees, Superintendent, Associate Superintendent of Business Services or by any other officer of the District duly authorized by the Board of Trustees of the District in writing to the Trustee for that purpose.

SECTION 1.02.Equal Security. In consideration of the acceptance of the Bonds by the Bondholders thereof, this Trust Agreement shall be deemed to be and shall constitute a contract among the Authority, the Trustee and the Bondholders from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full, timely and final payment of the interest on and principal of and premium, if applicable, on all Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Authority shall be for the equal and proportionate benefit, protection and security of all Bondholders of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

SECTION 1.03.Interpretation. Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to mean or include the neuter, masculine or feminine gender, as appropriate. Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

ARTICLE II

THE BONDS

SECTION 2.01.Authorization of Bonds; Bonds.

(a) The Bonds shall be issued for the purpose of providing funds to pay costs of the Project and to pay Costs of Issuance. The Bonds shall be issued on behalf of the District by the Authority and sold by the Authority under and subject to the terms of District Resolution, the Authority Resolution, this Agreement and all applicable laws, and shall be designated as the “San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)” and shall be in the aggregate principal amount of [_____] dollars (\$[_____]).

(b) The Bonds shall be dated the date of their delivery. The Bonds shall bear interest at the rate as set forth in Section 2.01(c) of this Section. The Bonds shall mature on [March 1], 2020.

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(c) The principal and any premium of the Bonds shall be payable in lawful money of the United States of America to the Owner thereof, upon the surrender thereof at the Corporate Trust Office of the Trustee, or at such other location as the Trustee shall designate. Each payment of principal on the Bonds shall include the CUSIP identification number, if any, of the Bond with respect to which such payment is made. So long as Cede & Co. or its registered assigns shall be the registered owner of any Bonds, payment shall be made to Cede & Co. by wire transfer as provided in Section 2.01(d) hereof.

The Bonds shall bear interest at the rate of [_____] % per annum, payable on each Interest Payment Date. Each Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said Bond. Each Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is in default on outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(d) The interest on the Bonds shall be payable in like lawful money to the person whose name appears on the bond registration books of the Trustee as the Owner thereof as of the close of business on the applicable Record Date for each Interest Payment Date, whether or not such day is a Business Day. Payment of the interest on any Bond shall be made by check or draft mailed by first class mail on each Interest Payment Date (or on the following Business Day, if the Interest Payment Date does not fall on a Business Day) to such Owner at such Owner's address as it appears on such registration books or at such address as the Owner may have filed with the Trustee for that purpose; or upon written request of the Owner of Bonds aggregating not less than \$1,000,000 in principal amount, given no later than the Record Date immediately preceding the applicable Interest Payment Date, by wire transfer in immediately available funds to an account maintained in the United States at such wire address as such Owner shall specify in its written notice. So long as Cede & Co. or its registered assigns shall be the registered owner of any of the Bonds, payment shall be made thereto by wire transfer.

(e) Interest on any Bond shall cease to accrue (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided there has been irrevocably deposited with the Trustee an amount sufficient to pay the redemption price thereof, plus interest accrued thereon to such date. The Owner of such Bond shall not be entitled to any other payment, and such Bond shall no longer be Outstanding and entitled to the benefits of this Trust Agreement, except for the payment of the principal amount or redemption price, of such Bond, as appropriate, from moneys held by the Trustee for such payment.

(f) The Bonds shall be issued as fully registered Bonds in Authorized Denominations.

(g) The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Bonds in the form and manner provided herein for the purpose of providing funds to finance the Project, and that the Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

(h) The validity of the issuance of the Bonds shall not be dependent on or affected in any way by the proceedings taken by the District for the financing of the Project or by any contracts made by the District or its agents in connection therewith, and shall not be dependent upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Bonds shall be incontestable from and after their issuance. The Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Bonds (or any temporary Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

SECTION 2.02.Form of Bonds. The Bonds and the authentication and registration endorsement and assignment to appear thereon shall be substantially in the forms set forth in Appendix A hereto attached and by this reference herein incorporated.

SECTION 2.03.Execution of Bonds. The Chairperson or the Treasurer of the Authority is hereby authorized and directed to execute each of the Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Bonds on behalf of the Authority. The signatures of such officers may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Bonds shall cease to be such officer before the delivery of the Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Bonds.

Only those Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

SECTION 2.04.Transfer and Payment of Bonds. Any Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of Section 2.06 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation accompanied by delivery of a duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall

authenticate and deliver to the transferee a new Bond or Bonds for a like aggregate principal amount of Authorized Denominations. The Trustee shall require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may deem and treat the registered owner of any Bond as the absolute owner of such Bond for the purpose of receiving payment thereof and for all other purposes, whether such Bond shall be overdue or not, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and premium, if applicable, on such Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on such Bond to the extent of the sum or sums so paid.

The Trustee shall not be required to register the transfer of or exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.07 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.05.Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations. The Trustee shall require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee shall not be required to exchange any Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Bond selected for redemption in whole or in part as provided in Section 4.07 or during the period established by the Trustee for selection of Bonds for redemption.

SECTION 2.06.Bond Registration Books. The Trustee will keep at its Corporate Trust Office sufficient books for the registration and transfer of the Bonds, which during normal business hours shall be open to inspection by the Authority upon reasonable notice, and upon presentation for such purpose the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer the Bonds in such books as hereinabove provided.

SECTION 2.07.Mutilated, Destroyed, Stolen or Lost Bonds; Temporary Bonds. If any Bond shall become mutilated, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor and amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be cancelled.

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to the Trustee and indemnity satisfactory to the Trustee shall be given, the Trustee, at the expense of the Bondholder, shall thereupon authenticate and deliver a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen.

The Trustee may require payment of a reasonable sum for each new Bond issued under this Section 2.07 and of the expenses which may be incurred by the Authority and the Trustee in the premises. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall be equally and proportionately entitled to the benefits of this Trust Agreement with all other Bonds of the same Series secured by this Trust Agreement. Neither the Authority nor the Trustee shall be required to treat both the original Bond and any replacement Bond as being Outstanding for the purpose of determining the principal amount of Bonds which may be issued hereunder or for the purpose of determining any percentage of Bonds Outstanding hereunder, but both the original and replacement Bond shall be treated as one and the same.

The Bonds issued under this Trust Agreement may be initially issued in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority, shall be in fully registered form and may contain such reference to any of the provisions of this Trust Agreement as may be appropriate. Every temporary Bond shall be executed and authenticated as authorized by the Authority, in accordance with the terms of the Act. If the Authority issues temporary Bonds it will execute and furnish definitive Bonds without delay and thereupon the temporary Bonds may be surrendered, for cancellation, in exchange therefor at the Corporate Trust Office of the Trustee, and the Trustee shall deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Trust Agreement as definitive Bonds delivered hereunder.

SECTION 2.08. Special Covenants as to Book-Entry Only System for Bonds.

(a) Except as otherwise provided in subsections (b) and (c) of this Section 2.08, all of the Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Bonds initially shall be issued in the form of a single authenticated fully registered bond, representing the aggregate principal amount of the Bonds. Upon initial issuance, the ownership of the authenticated Bond shall be registered in the registration records maintained by the Trustee pursuant to Section 2.06 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee and the Authority may treat DTC (or its nominee) as the sole and exclusive owner of the Bonds registered in its name for the purposes of payment of the principal or redemption price of and interest on such Bonds, selecting the Bonds or the portion thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of the Bonds, obtaining any consent or other action to be taken by Bondholders of the Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority shall be affected by any notice to the contrary. Neither the Trustee nor the Authority shall have any responsibility or obligation to any "Participant" (which shall mean, for purposes of this Section 2.08, securities

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brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), any person claiming a beneficial ownership interest in the Bonds under or through DTC or any Participant, or any other person which is not shown on the registration records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Bonds hereunder, (iv) the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Bonds, or (v) any consent given or other action taken by DTC as Bondholder of Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority's obligations with respect to the payment of the principal of and premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of its then existing nominee, the Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section 2.08.

(c) In the event that the Authority determines that the Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. DTC may determine to discontinue providing its services with respect to the Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Bonds will be transferable in accordance with subsection (e) of this Section 2.08. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section 2.08 shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Bonds then Outstanding. In such event, the Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section 2.08, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Bond and all notices with respect to each such Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

(e) In the event that any transfer or exchange of Bonds is authorized under subsection (b) or (c) of this Section 2.08, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.04 and 2.05. In the event Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Bonds, another securities depository as holder of all the Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.04 and 2.05 shall also apply to, among other things, the registration, exchange and transfer of the Bonds and the method of payment of principal of, premium, if any, and interest on the Bonds.

ARTICLE III

ISSUANCE OF BONDS

SECTION 3.01. Procedure for the Issuance of Bonds.

(a) At any time after the sale of the Bonds in accordance with the Act, the Authority shall execute the Bonds for issuance hereunder and shall deliver them to the Trustee, and thereupon the Bonds shall be authenticated and delivered by the Trustee to the purchaser thereof upon the Written Request of the Authority and upon receipt of payment therefor from the purchaser thereof.

(b) Upon receipt of payment for the Bonds from the purchaser thereof, the Trustee shall, unless otherwise instructed by the Authority, transfer or deposit the proceeds received from such sale to the following respective parties or to the following respective accounts or funds, in the following order of priority:

(i) deposit the sum of \$[_____] to the Costs of Issuance Fund, which fund is hereby created and which fund the Trustee hereby covenants and agrees to maintain. All money in the Costs of Issuance Fund shall be used and withdrawn by the Trustee to pay the Costs of Issuance of the Bonds upon receipt of a Written Request of the Authority, filed with the Trustee, each of which shall be sequentially numbered and shall state the person(s) to whom payment is to be made, the amount(s) to be paid, the purpose(s) for which the obligation(s) was incurred and that such payment is a proper charge against said fund. Ninety days after the date on which the Bonds are issued, any remaining balance in the Costs of Issuance Fund shall be transferred to the Project Fund and the Costs of Issuance Fund shall be closed;

(ii) deposit the amount of \$[_____] in the Project Fund; and

(iii) deposit the amount of \$[_____] in the Reserve Fund.

(c) [In connection with the issuance of the Bonds, the District will wire to the Trustee \$[_____] which the Trustee shall deposit into the Costs of Issuance Fund.]

SECTION 3.02.Project Fund. The Trustee hereby agrees to establish the Project Fund (the “Project Fund”) (the initial payment into which is provided for in Section 3.01(b)). The moneys in the Project Fund shall be disbursed by the Trustee upon the Written Request of the District in the form of Appendix B attached hereto for the payment of costs relating to the financing and completion of the Project. Once all of the moneys are disbursed by the Trustee upon Written Request of the District, the Project Fund shall be closed.

SECTION 3.03.Limitations on the Issuance of Obligations Payable from Revenues. The Authority will not, so long as any of the Bonds are Outstanding, issue any obligations or securities, however denominated, payable in whole or in part from the Revenues except Obligations which are junior and subordinate to the payment of the principal, premium and interest for the Bonds and which subordinated obligations are payable as to principal, premium, interest and reserve fund requirements, if any, only out of the Revenues after the prior payment of all amounts then required to be paid hereunder from the Revenues for principal, premium and interest for the Bonds, as the same become due and payable and at the times and in the manner as required in this Trust Agreement.

ARTICLE IV

REDEMPTION OF BONDS

SECTION 4.01.Mandatory Sinking Fund Redemptions.

(a) The Bonds maturing on March 1, [____], shall be subject to mandatory sinking fund redemption on each March 1 in the amounts set forth below at a redemption price equal to the principal amount thereof and accrued interest thereon to the date fixed for redemption, but without premium, as set forth in the following table:

<u>Redemption Dates</u>	<u>Principal Amount</u>
[_____]	\$[_____]

(b) In lieu of depositing cash with the Trustee as a mandatory sinking fund payment, the Authority shall have the option to tender to the Trustee for cancellation any amount of the Bonds purchased by the Authority at public or private sale as and when and at such prices as the Authority may in its discretion determine. The principal amount of any Bond so purchased by the Authority and tendered to the Trustee shall be credited towards and shall reduce the next mandatory sinking fund payments required to be made in the order in which they are required to be made pursuant to this Section 4.01.

SECTION 4.02. Optional Redemption After Call Date. The Bonds shall be subject to redemption prior to their stated maturity date, at the option of the Authority, from any source of available funds, as a whole or in part in Authorized Denominations, on any date on and after [FIRST CALL DATE], at the respective redemption prices set forth below expressed as percentages of the principal amounts of the Bonds called for redemption, plus accrued interest, if any, to the redemption date:

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Prices</u> <u>(Expressed as a Percentage)</u>
_____, _____ to _____, _____	[10[_]%
_____, _____ to _____, _____	10[_]
_____, _____ and thereafter	100]

SECTION 4.03. Optional Redemption From GO Bond Proceeds. The Bonds shall be subject to redemption in whole prior to their stated maturity date, on any date at the option of the Authority, from a prepayment by the District of Base Rental Payments under the Facility Lease or from the purchase of the Facilities by the District pursuant to the Facility Lease so long as the source of the District’s funds are proceeds from a general obligation bond issuance by the District. The redemption price for any such redemption under this Section shall be the principal amounts of the Bonds called for redemption, plus accrued interest to the redemption date without any premium.

SECTION 4.04. Reserved.

SECTION 4.05. Extraordinary Redemption from Eminent Domain or Insurance Proceeds. The Authority may, with the permission of the District and under the terms of Section 5.01 of the Facility Sublease, elect not to repair a destroyed or damaged portion of the Facility, and in that event, if the proceeds of insurance together with any other moneys then available for the purpose (including Federal or State disaster relief) are at least sufficient to redeem the aggregate principal amount of outstanding Bonds equal to the amount of Bonds attributable to the portion of the Facility so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the Facility bears to the total cost of the Facility), the Authority shall cause said proceeds to be used for the redemption of that portion of the outstanding Bonds at a redemption price equal to the principal amount of the Bonds called for redemption plus interest accrued to the redemption date.

If the whole of the Facilities, including the Demised Premises, or so much thereof as to render the remainder unusable, is taken under power of eminent domain, the term of the Facility Sublease will cease as of the day possession is so taken. If less than the whole of the Facilities is taken by eminent domain, there will be a partial abatement of the rental due under the Facility Sublease in an amount equivalent to the amount by which the annual payments of principal of and interest on the Bonds then Outstanding will be reduced by the application of the award in eminent domain to the redemption of Outstanding Bonds. The Authority shall cause the entire award in eminent domain to be used for the redemption of outstanding Bonds at a

redemption price equal to the principal amount of the Bonds called for redemption plus interest accrued to the redemption date.

SECTION 4.06. Reserved.

SECTION 4.07. Notice of Redemption. Notice of redemption of any Bonds shall be given by the Trustee to Owners upon the Written Request of the Authority given to the Trustee not less than 45 days prior to the redemption date (or such lesser number of days acceptable to the Trustee at the election of the Trustee). Notice of any redemption of Bonds shall be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (a) by first class mail to the respective Owners thereof at the addresses appearing on the bond registration books described in Sections 2.06 and 6.07, and (b) as may be further required in accordance with the Continuing Disclosure Agreement.

Each notice of redemption shall contain all of the following information:

- (i) the date of such notice;
- (ii) the name of the Bonds and the date of issue of the Bonds;
- (iii) the redemption date;
- (iv) the redemption price, if available;
- (v) (if less than all of the Bonds are to be redeemed) the distinctive numbers of the Bonds to be redeemed;
- (vi) (in the case of Bonds redeemed in part only) the respective portions of the principal amount of the Bonds to be redeemed;
- (vii) the CUSIP number, if any, of the Bonds to be redeemed;
- (viii) a statement that such Bonds, must be surrendered by the Owners at the Corporate Trust Office of the Trustee, or at such other place or places designated by the Trustee; and
- (ix) notice that further interest on such Bonds will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Bonds.

SECTION 4.08. Effect of Notice. A certificate of the Trustee that notice of call and redemption has been given to Owners and as may be further required in the Continuing Disclosure Agreement as herein provided shall be conclusive as against all parties. The actual receipt by the Owner of any Bond or any other party of notice of redemption shall not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice

given, shall not affect the validity of the proceedings for the redemption of such Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Bonds called for redemption is set aside for the purpose, the Bonds designated for redemption shall become due and payable on the specified redemption date and interest shall cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Bonds at the place specified in the notice of redemption, such Bonds shall be redeemed and paid at the redemption price thereof out of the money provided therefor. The Owners of such Bonds so called for redemption after such redemption date shall look for the payment of such Bonds and the premium thereon, if applicable, only to the funds set aside for such purpose. All Bonds redeemed shall be cancelled forthwith by the Trustee and shall not be reissued.

SECTION 4.09. Right to Rescind Notice. Upon written notice from the District, the Authority may rescind any redemption (other than mandatory sinking fund redemptions under Section 4.01) and notice thereof on any date prior to the date fixed for redemption by directing the Trustee in writing to give written notice of the rescission to the Owners of the Bonds so called for redemption. Notice of rescission of redemption shall be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Bond of notice of such rescission shall not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice shall not affect the validity of the rescission.

SECTION 4.10. Selection of Bonds for Redemption. If less than all of the Outstanding Bonds of a series are to be redeemed on any one date, the Trustee shall select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which shall be payable after such redemption date shall be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such redemption date.

ARTICLE V

REVENUES

SECTION 5.01. Pledge of Revenues. All Revenues are hereby irrevocably pledged and assigned to the payment of the interest and premium, if any, on and principal of the Bonds, and the Revenues shall not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and first lien upon the Revenues for the payment of the interest on and principal of the Bonds in accordance with the terms hereof and thereof.

SECTION 5.02. Receipt and Deposit of Revenues in the Revenue Fund.

(a) At least fifteen (15) days prior to each date on which a Base Rental Payment is due, pursuant to the Facility Sublease, the Trustee shall notify the District of the amount of the

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Base Rental Payment due. Any failure to send such notice shall not affect the District's obligation to make timely payments of Base Rental Payments. The District has been directed to pay all Base Rental Payments directly to the Trustee. If the Authority receives any Base Rental Payments, it shall hold the same in trust as agent of the Trustee and shall immediately transfer such Base Rental Payments to the Trustee.

(b) In order to carry out and effectuate the pledge, assignment, charge and lien contained herein, the Authority agrees and covenants that all Revenues when and as received shall be received by the Authority in trust hereunder for the benefit of the Holders of the Bonds and shall be transferred when and as received by the Authority to the Trustee for deposit in the Revenue Fund, which fund is hereby created and which fund the Trustee hereby agrees and covenants to maintain in trust for Holders of Bonds so long as any Bonds shall be Outstanding hereunder.

(c) All Revenues and all other amounts pledged and assigned hereunder shall be accounted for through and held in trust in the Revenue Fund, and the Trustee shall have no beneficial right or interest in any of the Revenues except only as herein provided. All Revenues and all other amounts pledged and assigned hereunder, whether received by the Authority in trust or deposited with the Trustee as herein provided, shall nevertheless be allocated, applied and disbursed solely to the purposes and uses hereinafter in this Article set forth, and shall be accounted for separately and apart from all other accounts, funds, money or other resources of the Trustee.

SECTION 5.03. Establishment and Maintenance of Accounts for Use of Money in the Revenue Fund.

(a) Revenue Fund. All money in the Revenue Fund shall be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which is hereby created and each of which the Trustee hereby covenants and agrees to cause to be maintained) in the following order of priority:

- (1) Interest Account, and
- (2) Principal Account.

All money in each of such accounts shall be held in trust by the Trustee and shall be applied, used and withdrawn only for the purposes hereinafter authorized in this Section.

(b) Interest Account. On or before each Interest Payment Date and on any date on which Bonds are to be redeemed, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on such date.

No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such date.

All money in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

All amounts on deposit in the Interest Account on [March 1] of any year to the extent not required to pay any interest then having come due and payable on the Outstanding Bonds, shall be transferred to the Principal Account.

(c) Principal Account. On or before each date on which the principal of the Bonds shall be payable, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal (i) the principal amount of the Bonds maturing on such date, and (ii) the redemption price of the Bonds (consisting of the principal amount thereof) required to be redeemed on such date pursuant to any of the provisions of Article IV hereof. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Bonds at the maturity thereof, or (ii) paying the principal of the Bonds upon the redemption thereof. All amounts on deposit in the Principal Account on [March 1] of any year, to the extent not required to pay the principal of any Outstanding Bonds then having come due and payable, shall be transferred to the Reserve Fund.

SECTION 5.04.Reserve Fund.

(a) The Trustee hereby agrees to establish and maintain so long as any Bonds are Outstanding the Reserve Fund (the "Reserve Fund") (the funding of which is provided for in Section 3.01(b)). The Trustee shall hold the Reserve Fund for the benefit of the Bondholders.

(b) All moneys in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of funding the Interest Account or the Principal Account, in that order, in the event of any deficiency in either of such accounts on an Interest Payment Date, or to make the final payment on the Bonds at maturity, except that so long as the Authority is not in default hereunder, any amounts in the Reserve Fund in excess of the Reserve Fund Requirement shall be withdrawn from the Reserve Fund and deposited to the Interest Account on each Interest Payment Date.

(c) Whenever the amounts in the Reserve Fund shall be sufficient to pay all remaining Base Rental Payments under the Facility Sublease, no further Base Rental Payments need be paid by the District under the Facility Sublease, and amounts in the Reserve Fund shall be transferred to the Revenue Fund.

SECTION 5.05.Reserved.

SECTION 5.06.Application of Insurance Proceeds. In the event of any damage to or destruction of any part of the Facility covered by insurance, the Authority shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facility, and the Trustee shall hold said proceeds in a fund established by the Trustee for such purpose separate and apart from all other funds designated the "Insurance and Condemnation Fund", to the end that such proceeds shall be applied to the

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repair, reconstruction or replacement of the Facility to at least the same good order, repair and condition as it was in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The District shall file a Certificate of the District with the Trustee that sufficient funds from insurance proceeds or from any funds legally available to the District, or from any combination thereof, are available in the event it elects to repair, reconstruct or replace the Facility. The Trustee shall invest said proceeds in Investment Securities pursuant to the Written Request of the District, as agent for the Authority under the Facility Sublease, and withdrawals of said proceeds shall be made from time to time upon the filing with the Trustee of a Written Request of the District, stating that the District has expended moneys or incurred liabilities in an amount equal to the amount therein stated for the purpose of the repair, reconstruction or replacement of the Facility, and specifying the items for which such moneys were expended, or such liabilities were incurred, in reasonable detail. Any balance of such proceeds not required for such repair, reconstruction or replacement and the proceeds of use and occupancy insurance shall be paid to the Trustee as Base Rental Payments and deposited in the Revenue Fund as directed by the District and used to reduce required Base Rental Payments. Alternatively, the District, if the proceeds of such insurance together with any other moneys then available for such purpose are sufficient to redeem all, in case of damage or destruction in whole of the Facility, or that portion, in the case of partial damage or destruction of the Facility, of the Bonds and to pay all other amounts relating to the damaged or destroyed portion of the Facility, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facility and thereupon shall cause said proceeds to be used for the redemption of Outstanding Bonds pursuant to the applicable provisions of Article IV. The District shall not apply the proceeds of insurance as set forth in this Section 5.06 to redeem the Bonds in part due to damage or destruction of a portion of the Facility unless the Base Rental Payments on the undamaged portion of the Facility will be sufficient to pay the scheduled principal and interest on the Bonds remaining unpaid after such redemption.

SECTION 5.07. Deposit and Investments of Money in Accounts and Funds. All money held by the Trustee in any of the accounts or funds established pursuant hereto shall be invested in Investment Securities at the Written Request of the Authority or, if no instructions are received, in money market funds described in clause (xi) of the definition of Investment Securities and, with respect to monies on deposit in the Reserve Fund only, shall not be invested at a yield exceeding [___]%. Such investments shall, as nearly as practicable, mature on or before the dates on which such money is anticipated to be needed for disbursement hereunder. For purposes of this restriction, Investment Securities containing a repurchase option or put option by the investor shall be treated as having a maturity of no longer than such option. All interest or profits received on any money so invested in the Project Fund and in the Revenue Fund or any account of such funds shall be retained in such funds or accounts. Except as provided herein, all interest or gain derived from the investment of amounts in any fund or account established hereunder shall be retained in such fund or account. The Trustee and its affiliates may act as principal, agent, sponsor or advisor with respect to any investments. The Trustee shall not be liable for any losses on investments made in accordance with the terms and provisions of this Trust Agreement.

Investments in any and all funds and accounts may be commingled for purposes of making, holding and disposing of investments, notwithstanding provisions herein for transfer

to or holding in particular funds and accounts amounts received or held by the Trustee hereunder, provided that the Trustee shall at all times account for such investments strictly in accordance with the funds and accounts to which they are credited and otherwise as provided in this Trust Agreement.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law. The Trustee will furnish the Authority (if requested by it) periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

ARTICLE VI

RESERVED

ARTICLE VII

COVENANTS OF THE AUTHORITY

SECTION 7.01.Punctual Payment and Performance. The Authority will punctually pay out of the Revenues the interest on and principal of and premium, if applicable, to become due on every Bond issued hereunder in strict conformity with the terms hereof and of the Bonds, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Authority contained herein and in the Bonds.

SECTION 7.02.Against Encumbrances. The Authority will not make any pledge or assignment of or place any charge or lien upon the Revenues except as provided in Section 5.01, and will not issue any bonds, notes or obligations payable from the Revenues or secured by a pledge of or charge or lien upon the Revenues except as provided in Section 3.03.

SECTION 7.03.Accounting Records and Reports. The Trustee will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions made by the Trustee relating to the receipts, disbursements, allocation and application of the Revenues, and such books shall be available for inspection by the Authority at reasonable hours, under reasonable conditions and upon reasonable notice. The Trustee shall provide to the Authority monthly statements covering the funds and accounts held pursuant to the Trust Agreement. Not more than one hundred eighty (180) days after the close of each Fiscal Year, the Trustee shall furnish or cause to be furnished to the Authority a complete financial statement (which may be in the form of the Trustee's customary account statements) covering receipts, disbursements, allocation and application of Revenues for such Fiscal Year. The Authority shall keep or cause to be kept such information as is required under the Tax Certificate.

SECTION 7.04.Prosecution and Defense of Suits. The Authority will defend against every suit, action or proceeding at any time brought against the Trustee upon any claim to the extent arising out of the receipt, application or disbursement of any of the Revenues or to

the extent involving the failure of the Authority to fulfill its obligations hereunder; provided, that the Trustee or any affected Bondholder at its election may appear in and defend any such suit, action or proceeding. The Authority will indemnify and hold harmless the Trustee against any and all liability claimed or asserted by any person to the extent arising out of such failure by the Authority, and will indemnify and hold harmless the Trustee against any reasonable attorney's fees or other reasonable expenses which it may incur in connection with any litigation to which it may become a party by reason of its actions hereunder, except for any loss, cost, damage or expense resulting from the negligence or willful misconduct by the Trustee. Notwithstanding any contrary provision hereof, this covenant shall remain in full force and effect even though all Bonds secured hereby may have been fully paid and satisfied.

SECTION 7.05.Further Assurances. Whenever and so often as reasonably requested to do so by the Trustee or any Bondholder, the Authority will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Bondholders all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 7.06.Maintenance of Revenues. The Authority will promptly collect all rents and charges due for the occupancy or use of the Facility as the same become due, and will promptly and vigorously enforce its rights against any tenant or other person who does not pay such rents or charges as they become due. The Authority will at all times maintain and vigorously enforce all of its rights under the Facility Sublease.

SECTION 7.07.Amendments to Facility Sublease. The Authority shall not supplement, amend, modify or terminate any of the terms of the Facility Sublease, or consent to any such supplement, amendment, modification or termination, without the prior written consent of the Trustee. The Trustee shall give such written consent if such supplement, amendment, modification or termination (a) will not materially adversely affect the interests of the Bondholders or result in any material impairment of the security hereby given for the payment of the Bonds (provided that such supplement, amendment or modification shall not be deemed to have such adverse effect or to cause such material impairment solely by reason of providing for the substitution of real property pursuant to Section 2.03 of the Facility Sublease), (b) is to add to the agreements, conditions, covenants and terms required to be observed or performed thereunder by any party thereto, or to surrender any right or power therein reserved to the Authority or the District, (c) is to cure, correct or supplement any ambiguous or defective provision contained therein, (d) is to accommodate any substitution in accordance with Section 2.03 under the Facility Sublease, (e) is to modify the legal description of the Facility to conform to the requirements of title insurance or otherwise to add or delete property descriptions to reflect accurately the description of the parcels intended or preferred to be included therein, or substituted for the Facility pursuant to the provision of Section 2.03 of the Facility Sublease, or (f) if the Trustee first obtains the written consent of the Bondholders of a majority in principal amount of the Bonds then Outstanding to such supplement, amendment, modification or termination; provided, that no such supplement, amendment, modification or termination shall reduce the amount of Base Rental Payments to be made to the Authority or the Trustee by the

District pursuant to the Facility Sublease to an amount less than the Base Rental Payment Schedule, or extend the time for making such payments, or permit the creation of any lien prior to or on a parity with the lien created by this Trust Agreement on the Base Rental Payments (all except as expressly provided herein or in the Facility Sublease), in each case without the written consent of all of the Bondholders of the Bonds then Outstanding.

SECTION 7.08. Leasehold Estate. The Authority will be, on the date of the delivery of the Bonds, the owner and lawfully possessed of the leasehold estate described in the Facility Lease, and the Facility Sublease will be, on the date of delivery of the Bonds, a valid subsisting demise for the term therein set forth of the property which it purports to demise. At the time of the delivery of the Bonds the District will be the owner in fee simple of the premises described therein, and the Facility Sublease will be lawfully made by the District, and the covenants contained in the Facility Sublease on the part of the District will be valid and binding. At the time of the delivery of the Bonds, the Authority will have good right, full power and lawful authority to lease said leasehold estate, in the manner and form provided in the Facility Sublease, and the Facility Sublease will be duly and regularly executed.

Without allowance for any days of grace which may or might exist or be allowed by law or granted pursuant to any terms or conditions of the Facility Sublease, the Authority will in all respects promptly and faithfully keep, perform and comply with all the terms, provisions, covenants, conditions and agreements of the Facility Sublease to be kept, performed and complied with by it. The Authority will not do or permit anything to be done, or omit or refrain from doing anything, in any case where any such act done or permitted to be done, or any such omission of or refraining from action, would or might be a ground for declaring a forfeiture of the Facility Sublease, or would or might be a ground for cancellation or termination of the Facility Sublease by the lessee thereunder. The Authority will promptly deposit with the Trustee (to be held by the Trustee until the title and rights of the Trustee under this Trust Agreement shall be released or reconvened) any and all documentary evidence received by it showing compliance with the provisions of the Facility Sublease to be performed by the Authority. The Authority, immediately upon its receiving or giving any notice, communication or other document in any way relating to or affecting the Facility Sublease, or the leasehold estate thereby created, which may or can in any manner affect the estate of the lessor or of the Authority in or under the Facility Sublease, will deliver the same, or a copy thereof, to the Trustee.

SECTION 7.09. Tax Covenants.

(a) The Authority covenants that, in order to maintain the exclusion from gross income for Federal income tax purposes of the interest on the Bonds, and for no other purpose, it will satisfy, or take such actions as may be necessary to cause to be satisfied, each provision of the Code necessary to maintain such exclusion. In furtherance of this covenant, the Authority covenants to comply with the Tax Certificate as a source of guidance with respect to the requirements of the Code.

(b) The Authority covenants that no part of the proceeds of the Bonds shall be used, directly or indirectly, to acquire any "investment property," as defined in Section 148 of the Code, and it shall not take or permit to be taken any other action or actions, which would cause the obligation represented by this Indenture or by the Bonds to be an "arbitrage bond"

within the meaning of Section 148 of the Code, as in effect from time to time, or under applicable Treasury regulations promulgated thereunder. In order to assure compliance with the rebate requirements of Section 148 of the Code, the Authority further covenants that it will pay or cause to be paid to the United States Treasury Department the amounts necessary to satisfy the requirements of Section 148(f) of the Code, as required in the Tax Certificate, and that it will establish such accounting procedures as are necessary to adequately determine, account for and pay over any such amount or amounts required to be paid to the United States in a manner consistent with requirements of Section 148 of the Code, such covenant to survive the termination of this Indenture.

(c) The Authority covenants that it will not take any action or omit to take any action, which action or omission, would result in a loss of exclusion from gross income for purposes of Federal income taxation, under Section 103(a) of the Code, of interest on the Bonds.

(d) The Authority covenants that it will not use or permit the use of the proceeds of the Bonds or the Project in such manner or to such extent as would result in a loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code.

(e) In furtherance of the covenants of the Authority set forth above, the Authority will comply with the Tax Certificate. The Trustee and the Authority may conclusively rely on any such written instructions provided to the Trustee by the District.

(f) Notwithstanding any provisions of this Section, if the District or Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required in order to prevent the loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES OF BONDHOLDERS

SECTION 8.01. Events of Default. The following events shall be Events of Default:

(a) if default shall be made by the Authority in the due and punctual payment of the interest on any Bond when and as the same shall become due and payable;

(b) if default shall be made by the Authority in the due and punctual payment of the principal of or premium, if applicable, on any Bond when and as the same shall become due and payable, whether at maturity as therein expressed or by proceedings for redemption;

(c) if default shall be made by the Authority in the performance of any of the other agreements or covenants required herein to be performed by the Authority, and such

default shall have continued for a period of sixty (60) days or such additional time (with respect to agreements or covenants that cannot be corrected or performed within such sixty (60) day period but the correction of which is being diligently pursued by the Authority) as is reasonably required to correct any such default after the Authority shall have been given notice in writing of such default by the Trustee;

(d) if the Authority shall file a petition or answer seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if a court of competent jurisdiction shall approve a petition filed with or without the consent of the Authority seeking arrangement or reorganization under the federal bankruptcy laws or any other applicable law of the United States of America or any state therein, or if under the provisions of any other law for the relief or aid of debtors any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property; or

(e) if an Event of Default has occurred under Section 6.01 of the Facility Sublease.

SECTION 8.02. Institution of Legal Proceedings by Trustee. If one or more of the Events of Default shall happen and be continuing, the Trustee may, and upon the written request of the Bondholders of a majority in principal amount of the Bonds then Outstanding, and in each case upon being indemnified to its reasonable satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of the Bondholders of Bonds under this Trust Agreement and under Article VI of the Facility Sublease by a suit in equity or action at law, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or by mandamus or other appropriate proceeding for the enforcement of any other legal or equitable remedy as the Trustee shall deem most effectual in support of any of its rights and duties hereunder.

SECTION 8.03. Non-Waiver. Nothing in this Article or in any other provision hereof or in the Bonds shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of and premiums, if applicable, on the Bonds to the respective Bondholders of the Bonds at the respective dates of maturity or upon prior redemption as provided herein from the Revenues as provided herein pledged for such payment, or shall affect or impair the right of such Bondholders, which is also absolute and unconditional, to institute suit to enforce such payment by virtue of the contract embodied herein and in the Bonds.

A waiver of any default or breach of duty or contract by the Trustee or any Bondholder shall not affect any subsequent default or breach of duty or contract or impair any rights or remedies on any such subsequent default or breach of duty or contract. No delay or omission by the Trustee or any Bondholder to exercise any right or remedy accruing upon any default or breach of duty or contract shall impair any such right or remedy or shall be construed to be a waiver of any such default or breach of duty or contract or an acquiescence therein, and every right or remedy conferred upon the Bondholders by the Act or by this Article may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bondholders.

If any action, proceeding or suit to enforce any right or exercise any remedy is abandoned, the Authority, the Trustee and any Bondholder shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken.

SECTION 8.04.Actions by Trustee as Attorney-in-Fact. Any action, proceeding or suit which any Bondholder shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Bondholders, whether or not the Trustee is a Bondholder, and the Trustee is hereby appointed (and the successive Bondholders, by taking and holding the Bonds issued hereunder, shall be conclusively deemed to have so appointed it) the true and lawful attorney-in-fact of the Bondholders for the purpose of bringing any such action, proceeding or suit and for the purpose of doing and performing any and all acts and things for and on behalf of the Bondholders as a class or classes as may be advisable or necessary in the opinion of the Trustee as such attorney-in-fact.

SECTION 8.05.Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Bondholders is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 8.06.Limitation on Bondholders' Right to Sue. No Bondholder of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or equity, for any remedy under or upon this Trust Agreement, unless (a) such Bondholder shall have previously given to the Trustee written notice of the occurrence of an Event of Default as defined in Section 8.01; (b) the Bondholders of at least a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name; (c) said Bondholders shall have tendered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Bondholder of Bonds of any remedy hereunder; it being understood and intended that no one or more Bondholders of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Trust Agreement, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Trust Agreement shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Bondholders of the Outstanding Bonds.

ARTICLE IX

THE TRUSTEE

SECTION 9.01. The Trustee. U.S. Bank National Association shall serve as the initial Trustee for the Bonds for the purpose of receiving all money which the Authority is required to deposit with the Trustee hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of and premium, if applicable, on the Bonds presented for payment, with the rights and obligations provided herein. The Authority agrees that it will at all times maintain a Trustee having a corporate trust office in California.

The Authority, unless there exists any Event of Default as defined in Section 8.01, may at any time, and for any breach of the trusts set forth herein shall, remove the Trustee initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided, that any such successor shall be a bank, banking institution, or trust company, having (or whose parent holding company has) a combined capital (exclusive of borrowed capital) and surplus of at least fifty million dollars (\$50,000,000) and subject to supervision or examination by federal or state authority. If such bank, banking institution, or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank, banking institution, or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. The Trustee may at any time resign by giving written notice of such resignation to the Authority, and by mailing by first class mail to the Bondholders notice of such resignation. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of a Trustee and appointment of a successor Trustee shall become effective only upon the acceptance of appointment by the successor Trustee. The successor Trustee shall send notice of its acceptance by first class mail to the Bondholders. If, within thirty (30) days after notice of the removal or resignation of the Trustee no successor Trustee shall have been appointed and shall have accepted such appointment, the removed or resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Trustee having the qualifications required hereby.

The Trustee is hereby authorized to pay or redeem the Bonds when duly presented for payment at maturity or on redemption prior to maturity. The Trustee shall cancel all Bonds upon payment thereof or upon the surrender thereof by the Authority and shall destroy such Bonds and a certificate of destruction shall be delivered to the Authority upon its request. The Trustee shall keep accurate records of all Bonds paid and discharged and cancelled by it.

The Trustee shall, prior to an Event of Default, and after the curing or waiving of all Events of Default that may have occurred, perform such duties and only such duties as are specifically set forth in this Trust Agreement and no implied duties or obligations shall be read into this Trust Agreement. The Trustee shall, during the existence of any Event of Default (that has not been cured or waived), exercise such of the rights and powers vested in it by this Trust

Agreement, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

SECTION 9.02. Liability of Trustee. The recitals of facts, agreements and covenants herein and in the Bonds shall be taken as recitals of facts, agreements and covenants of the Authority, and the Trustee assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Bonds, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Bonds or in law or equity. The Trustee shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Trustee shall not be bound to recognize any person as the Bondholder of a Bond unless and until such Bond is submitted for inspection, if required, and such Bondholder's title thereto satisfactorily established, if disputed.

The Trustee shall not be liable for any error of judgment made in good faith, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

The Trustee shall not be responsible for the sufficiency of any insurance required by the Facility Sublease, and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the District.

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction the Bondholders of not less than a majority (or any lesser amount that may direct the Trustee in accordance with this Agreement) in aggregate principal amount of the Bonds at the time Outstanding, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Trust Agreement.

The Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Trust Agreement at the request, order or direction of any of the Bondholders pursuant to the provisions of this Trust Agreement unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the reasonable costs, expenses and liabilities that may be incurred therein or thereby. The Trustee has no obligation or liability to the Bondholders for the payment of the interest on, principal of or premium, if applicable, with respect to the Bonds from its own funds; but rather the Trustee's obligations shall be limited to the performance of its duties hereunder.

The Trustee shall not be deemed to have knowledge of any Event of Default (except payment defaults on the Bonds) unless and until a Responsible Officer shall have actual knowledge thereof or a Responsible Officer of the Trustee shall have received written notice thereof at its Principal Office. The Trustee shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of a default or Event of Default thereunder. The Trustee shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

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The Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, and shall not be answerable for the negligence or misconduct of any such attorney-in-fact, agent or receiver if such attorney-in-fact, agent or receiver was appointed by the Trustee with due care. The Trustee shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, and the Trustee shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Trust Agreement, if such attorney-in-law or certified public accountant was selected by the Trustee with due care.

The Trustee shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision of this Trust Agreement, the Facility Sublease or related documents relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Article.

The Trustee makes no representation or warranty, express or implied, as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Authority or District of the Facility or the Project. In no event shall the Trustee be liable for incidental, indirect, special or consequential damages in connection with or arising from the Facility Sublease or this Trust Agreement for the existence, furnishing or use of the Facility or the Project.

The Trustee shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Authority or the District), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Before the Trustee acts or refrains from acting, the Trustee may consult with counsel, who may be counsel of or to the Authority, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of its rights and obligations hereunder the Trustee shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a Certificate of the Authority, which certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Trustee may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Trust Agreement shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Trustee is not responsible for the content of any official statement or any other offering or disclosure material prepared in connection with the Bonds.

SECTION 9.03. Compensation and Indemnification of Trustee. The Authority covenants to pay (but solely from Additional Payments) to the Trustee from time to time, and the Trustee shall be entitled to, compensation for all services rendered by it in the exercise and performance of any of the powers and duties hereunder of the Trustee, and the Authority will pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee, in accordance with any of the provisions of this Trust Agreement (including the reasonable compensation and the reasonable expenses and disbursements of their counsel – including the allocated reasonable fees and disbursements of in-house counsel – and of all persons not regularly in their employ) except any such expense, disbursement or advance as may arise from their negligence or willful misconduct. The Authority, to the extent permitted by law, shall indemnify, defend and hold harmless the Trustee against any loss, damage, liability or expense incurred without negligence or willful misconduct on the part of the Trustee arising out of or in connection with the acceptance or administration of the trusts created hereby, including reasonable costs and expenses (including reasonable attorneys’ fees and disbursements) of defending itself against or investigating any claim or liability in connection with the exercise or performance of any of its powers hereunder. The rights of the Trustee and the obligations of the Authority under this Section 9.03 shall survive the discharge of the Bonds and this Trust Agreement and the resignation or removal of the Trustee.

SECTION 9.04. Compliance with Continuing Disclosure Agreement. Pursuant to Section 8.08 of the Facility Sublease, the District has undertaken all responsibility for compliance with continuing disclosure requirements, and the Authority shall have no liability to the Owners of the Bonds or any other person with respect to S.E.C. Rule 15c2-12. The District has agreed that so long as it shall act as the Dissemination Agent under the Continuing Disclosure Agreement, it will perform all of the provisions thereof to be performed by the Dissemination Agent. Notwithstanding any other provision of this Trust Agreement, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; however, 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 Section 8.08 of the Facility Sublease or under this Section 9.04. For purposes of this Section, “Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

ARTICLE X

AMENDMENT OF THE TRUST AGREEMENT

SECTION 10.01. Amendment of the Trust Agreement.

(a) This Trust Agreement and the rights and obligations of the Authority and of the Bondholders may be amended at any time by a Supplemental Trust Agreement which shall become binding when the written consents of the Bondholders of a majority in aggregate

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principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 10.02, are filed with the Trustee; provided that if such modification or amendment will, by its terms, not take effect so long as any Bonds remain Outstanding, the consent of the Bondholders shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Bonds Outstanding under this Section. No such amendment shall (1) extend the maturity of or reduce the interest rate on or amount of interest on or amount of tax-credit associated with or principal of or premium, if applicable, on any Bond without the express written consent of the Bondholder of such Bond, (2) adversely impact the Bondholders of one series of Bonds in favor of the Bondholders of the other series of Bonds without 100% consent of the Bondholders of the series of Bonds adversely impacted, or (3) permit the creation by the Authority of any pledge of or charge or lien upon the Revenues as provided herein superior to or on a parity with the pledge, charge and lien created hereby for the benefit of the Bonds, or (4) reduce the percentage of Bonds required for the written consent to any such amendment, or (5) modify any rights or obligations of the Trustee, the Authority, or the District without their prior written assent thereto, respectively. It shall not be necessary for the consent of the Bondholders to approve the particular form of any Supplemental Trust Agreement, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Authority and the Trustee of any Supplemental Trust Agreement pursuant to this subsection (a), the Trustee shall mail a notice on behalf of the Authority, setting forth in general terms the substance of such Supplemental Trust Agreement to the Bondholders at the addresses shown on the registration books maintained by the Trustee. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Trust Agreement.

(b) The Trust Agreement and the rights and obligations of the Authority and of the Bondholders may also be amended at any time by a Supplemental Trust Agreement which shall become binding upon adoption, without the consent of any Bondholders, for any purpose that will not materially adversely affect the interests of the Bondholders, including (without limitation) for any one or more of the following purposes --

(i) to add to the agreements and covenants required herein to be performed by the Authority other agreements and covenants thereafter to be performed by the Authority, or to surrender any right or power reserved herein to or be conferred herein on the Authority;

(ii) to make such provisions for the purpose of curing any ambiguity or of correcting, curing or supplementing any defective provision contained herein or in regard to questions arising hereunder which the Authority may deem desirable or necessary; or

(iii) to add to the agreements and covenants required herein, such agreements and covenants as may be necessary to qualify the Trust Agreement under the Trust Indenture Act of 1939 as amended.

SECTION 10.02. Disqualified Bonds. Bonds owned or held by or for the account of the Authority shall not be deemed Outstanding for the purpose of any consent or other action

or any calculation of Outstanding Bonds provided in this Article, and shall not be entitled to consent to or take any other action provided in this Article.

SECTION 10.03. Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that the Bonds may bear a notation by endorsement in form approved by the Authority as to such action, and in that case upon demand of the Bondholder of any Outstanding Bonds and presentation of his Bond for such purpose at the office of the Trustee a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Bondholder of any Outstanding Bond a new Bond or Bonds shall be exchanged at the office of the Trustee without cost to each Bondholder for its Bond or Bonds then Outstanding upon surrender of such Outstanding Bonds.

SECTION 10.04. Amendment by Mutual Consent. The provisions of this Article shall not prevent any Bondholder from accepting any amendment as to the particular Bonds held by him, provided that due notation thereof is made on such Bonds.

ARTICLE XI

DISCHARGE OF BONDS

SECTION 11.01. Discharge of Bonds.

(a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Bondholders of all Outstanding Bonds the interest thereon and principal thereof and premium, if applicable, thereon at the times and in the manner stipulated herein and therein, and the Authority shall pay in full all other amounts due hereunder and under the Facility Sublease, then the Bondholders of such Bonds shall cease to be entitled to the pledge of and charge and lien upon the Revenues as provided herein, and all agreements, covenants and other obligations of the Authority to the Bondholders of such Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant hereto which are not required for the payment of the interest on and principal of and premium, if applicable, on such Bonds and for the payment of all other amounts due hereunder and under the Facility Sublease.

(b) Defeasance. Any Bond will be deemed paid, discharged and no longer Outstanding if each of the conditions set out in this Section 11.01(b) is satisfied. The conditions are:

(1) The Authority deposits with the Trustee (A) money or (B) Federal Securities which are not subject to early redemption, of such maturities and interest payment dates and bearing such interest as will be sufficient, without further investment or reinvestment of either the principal amount of such Federal Securities or the interest earnings on Federal Securities (the earnings to be held in trust also), together with any money, for the payment on

their respective maturity dates, or redemption dates prior to maturity, of the principal of such Bonds and redemption premium, if any, and interest to accrue on such Bonds to such maturity or redemption dates.

(2) The Trustee, the Authority and the District receives, at the expense of the Authority, and each may rely upon: (A) a verification report of an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses; (B) an opinion from counsel that (x) the deposit being held by the Trustee under subsection (1) above will not constitute a voidable preference or transfer under the Federal Bankruptcy Code or any other similar state or federal statute in the event the Authority or the District becomes a debtor within the meaning of the Federal Bankruptcy Code or comes within the protection of such similar state or federal statute (“Insolvency Event”) and (y) in the event of any such Insolvency Event, the deposit held by the Trustee under Subsection (1) above will not be treated as part of the estate of the District or the Authority.

(3) All Trustee’s fees or other amounts due or to become due with respect to such Bonds have been paid or sufficient additional moneys to make the required payments have been irrevocably deposited with the Trustee.

(4) For any such Bonds to be redeemed on any date prior to their maturity, the Trustee has received in form satisfactory to it irrevocable instructions to redeem such Bonds on a date on which the Bonds are subject to redemption, and either evidence satisfactory to the Trustee that all redemption notices required by this Trust Agreement have been given or irrevocable power authorizing the Trustee to give such redemption notices. The Trustee shall redeem the Bonds specified by such irrevocable instructions on the date specified by such irrevocable instructions.

At such times as a Bond is deemed to be paid under this Trust Agreement, it will no longer be secured by or entitled to the benefits of this Trust Agreement, except for the purposes of payment in accordance with this Trust Agreement.

All income from all Federal Securities in the hands of the Trustee pursuant to this Section which is identified by an independent certified public accountant or other firm nationally recognized in the certification of cash flow analyses as not required for the payment of the Bonds and interest on such income with respect to which such moneys have been so deposited will be deposited with the Trustee as and when realized and collected for use and application as are other moneys deposited with the Trustee under this Trust Agreement.

Notwithstanding any other provision of this Trust Agreement to the contrary, all moneys or Federal Securities set aside and held in trust pursuant to the provisions of this Section for the payment of Bonds (including accrued interest on such Bonds) shall be applied to and used solely for the payment of the particular Bonds (including interest on such Bonds) with respect to which such moneys or Federal Securities have been so set aside in trust.

SECTION 11.02.Unclaimed Money. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Bonds or interest thereon which remains unclaimed for two (2) years after the date when such

Bonds or interest thereon have become due and payable, either at their stated maturity dates or by call for redemption prior to maturity, if such money was held by the Trustee at such date, or for two (2) years after the date of deposit of such money if deposited with the Trustee after the date when such Bonds have become due and payable, shall be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bondholders shall not look to the Trustee for the payment of such Bonds; provided, however, that before being required to make any such payment to the Authority, the Trustee may, and at the request of the Authority shall, at the expense of the Authority, cause to be published once a week for two (2) successive weeks in a Financial Newspaper of general circulation in Los Angeles and in San Francisco, California, and in the same or a similar Financial Newspaper of general circulation in New York, New York, a notice that such money remains unclaimed and that, after a date named in such notice, which date shall not be less than thirty (30) days after the date of the first publication of each such notice, the balance of such money then unclaimed will be returned to the Authority.

ARTICLE XII

RESERVED

ARTICLE XIII

MISCELLANEOUS

SECTION 13.01.Liability of Authority Limited to Revenues. Notwithstanding anything contained herein, the Authority shall not be required to advance any money derived from any source other than the Revenues as provided herein for the payment of the interest on or principal of or premium, if applicable, on the Bonds or for the performance of any agreements or covenants herein contained. The Authority may, however, advance funds for any such purpose so long as such funds are derived from a source legally available for such purpose.

The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues as provided herein, and the Authority is not obligated to pay them except from the Revenues. All the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and premium, if applicable, on the Bonds as provided herein. The Bonds are not a debt of the District, the State or any of its political subdivisions, and neither the District, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Bonds be payable out of any funds or properties other than those of the Authority as provided herein. The Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.

SECTION 13.02.Benefits of this Trust Agreement Limited to Parties and Third Party Beneficiaries. Nothing contained herein, expressed or implied, is intended to give to any person other than the Authority, the Trustee, and the Bondholders any right, remedy or claim

under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Authority or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Authority, the Trustee, and the Bondholders.

SECTION 13.03.Successor Is Deemed Included In All References To Predecessor. Whenever herein either the Authority or any member, officer or employee thereof or of the State is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions with respect to this Agreement, the Bonds, the Facility Sublease and the Project that are presently vested in the Authority or such member, officer or employee, and all agreements and covenants required hereby to be performed by or on behalf of the Authority or any member, officer or employee thereof shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

SECTION 13.04.Execution of Documents by Bondholders. Any declaration, request or other instrument which is permitted or required herein to be executed by Bondholders may be in one or more instruments of similar tenor and may be executed by Bondholders in person or by their attorneys appointed in writing. The fact and date of the execution by any Bondholder or his attorney of any declaration, request or other instrument or of any writing appointing such attorney may be proved by the certificate of any notary public or other officer authorized to make acknowledgments of deeds to be recorded in the state or territory in which he purports to act that the person signing such declaration, request or other instrument or writing acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer. The ownership of any Bonds and the amount, maturity, number and date of holding the same may be proved by the registration books relating to the Bonds at the Principal Office of the Trustee.

Any declaration, request, consent or other instrument or writing of the Bondholder of any Bond shall bind all future Bondholders of such Bond with respect to anything done or suffered to be done by the Trustee or the Authority in good faith and in accordance therewith.

SECTION 13.05.Waiver of Personal Liability. No member, officer or employee of the Authority or the District shall be individually or personally liable for the payment of the interest on or principal of or premium, if applicable, on the Bonds by reason of their issuance, but nothing herein contained shall relieve any such member, officer or employee from the performance of any official duty provided by the Act or by any other applicable provisions of law or hereby.

SECTION 13.06.Acquisition of Bonds by Authority. All Bonds acquired by the Authority, whether by purchase or gift or otherwise, shall be surrendered to the Trustee for cancellation.

SECTION 13.07.Destruction of Cancelled Bonds. Whenever provision is made for the return to the Authority of any Bonds which have been cancelled pursuant to the provisions hereof, the Authority may, by a Written Request of the Authority, direct the Trustee to destroy such Bonds and furnish to the Authority a certificate of such destruction.

SECTION 13.08.Content of Certificates. Every Certificate of the Authority with respect to compliance with any agreement, condition, covenant or provision provided herein shall include (a) a statement that the person or persons making or giving such certificate have read such agreement, condition, covenant or provision and the definitions herein relating thereto; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements contained in such certificate are based; (c) a statement that, in the opinion of the signers, they have made or caused to be made such examination or investigation as is necessary to enable them to express an informed opinion as to whether or not such agreement, condition, covenant or provision has been complied with; and (d) a statement as to whether, in the opinion of the signers, such agreement, condition, covenant or provision has been complied with.

Any Certificate of the Authority may be based, insofar as it relates to legal matters, upon an Opinion of Counsel unless the person making or giving such certificate knows that the Opinion of Counsel with respect to the matters upon which his certificate may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous. Any Opinion of Counsel, insofar as it relates to factual matters or information which is in the possession of the Authority, may be based upon a representation by an officer or officers of the Authority unless the counsel executing such Opinion of Counsel knows that the representation with respect to the matters upon which his opinion may be based, as aforesaid, is erroneous, or in the exercise of reasonable care should have known that the same was erroneous.

SECTION 13.09.Publication for Successive Weeks. Any publication required to be made hereunder for successive weeks in a Financial Newspaper may be made in each instance upon any Business Day of the first week and need not be made on the same Business Day of any succeeding week or in the same Financial Newspaper for any subsequent publication, but may be made on different Business Days or in different Financial Newspapers, as the case may be.

SECTION 13.10.Accounts and Funds. Any account or fund required herein to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained in accordance with corporate trust industry standards and with due regard for the protection of the security of the Bonds and the rights of the Bondholders.

SECTION 13.11.Business Day. When any action is provided for herein to be done on a day named or within a specified time period, and the day or the last day of the period falls on a day which is not a Business Day, such action may be performed on the next ensuing Business Day with the same effect as though performed on the appointed day or within the specified period.

SECTION 13.12.Notices; Notices to Rating Agencies. All written notices to be given hereunder shall be given by mail to the party entitled thereto at the addresses set forth below, or at such other addresses as such parties may provide to the other party in writing from time to time, namely:

If to the Authority: San Dieguito Public Facilities Authority
710 Encinitas Boulevard
Encinitas, California 92024

If to the Trustee: U.S. Bank National Association
Corporate Trust Services
633 West Fifth St., 24th Floor
Los Angeles, California 90071

If to the District: San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, California 92024

The Authority shall give written notice to Standard & Poor's of the redemption or defeasance of any Bonds, the amendment of the Facility Sublease or Trust Agreement, and any change in the Trustee in accordance herewith.

SECTION 13.13.Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to "Articles," "Sections" and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words "hereby," "herein," "hereof," "hereto," "herewith," "hereunder" and other words of similar import refer to this Trust Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 13.14.Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Authority or the Trustee shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Bonds, and the Bondholders shall retain all the benefit, protection and security afforded to them under the Act or any other applicable provisions of law. The Authority and the Trustee hereby declare that they would have executed and delivered this Trust Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 13.15.Governing Law. This Trust Agreement shall be governed exclusively by the provisions hereof and by the laws of the State as the same from time to time exist.

SECTION 13.16.Execution in Several Counterparts. This Trust Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be

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deemed to be an original; and all such counterparts, or as many of them as the Authority and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

IN WITNESS WHEREOF, the SAN DIEGUITO PUBLIC FACILITIES AUTHORITY has caused this Trust Agreement to be signed in its name by its Chairperson, and U.S. BANK NATIONAL ASSOCIATION, in token of its acceptance of the trusts created hereunder, has caused this Trust Agreement to be signed by one of the officers thereunder duly authorized, all as of the day and year first above written.

SAN DIEGUITO PUBLIC FACILITIES
AUTHORITY

By: _____
Chairperson

Attest:

By: _____
Authority Secretary

U.S. BANK NATIONAL ASSOCIATION, as
Trustee

By: _____
Authorized Officer

Acknowledged:

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT

By: _____
Associate Superintendent of
Business Services

APPENDIX A

FORM OF BOND

Number R-__	UNITED STATES OF AMERICA STATE OF CALIFORNIA COUNTY OF SAN DIEGO	Principal Sum \$[_____]
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SAN DIEGUITO PUBLIC FACILITIES AUTHORITY
LEASE REVENUE BONDS, SERIES 2012A
(TORREY PINES HIGH SCHOOL PROJECTS)

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT OR COMMUNITY FACILITIES DISTRICT NO. 94-1 OF THE SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, THE PARTIES TO THE AGREEMENT CREATING THE AUTHORITY.

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Dated as of</u>	<u>CUSIP NO.</u>
[March 1, 2020]	[_____]%	[___], 2012	[_____]

Registered Owner: CEDE & CO.

Principal Sum: [_____] DOLLARS

The SAN DIEGUITO PUBLIC FACILITIES AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above (the "Principal Sum") in lawful money of the United States of America. This Bond shall bear interest at the rate as set forth above.

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The principal hereof is payable to the registered owner hereof in lawful money of the United States of America upon the surrender hereof at the designated corporate trust office of U.S. Bank National Association as the initial trustee (herein called the "Trustee"), appointed pursuant to a Trust Agreement, dated as of [March 1], 2012 (the "Trust Agreement") by and between the Authority and the Trustee. So long as Cede & Co. or its registered assigns shall be the registered owner of this Bond, payment shall be made by wire transfer through The Depository Trust Company ("DTC") as provided in the Trust Agreement.

The Bonds shall bear interest at the rate set forth above, payable on March 1 and September 1 of each year, commencing September 1, 2012. Each Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said Bond. Each Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Bond, interest is in default on outstanding Bonds, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Bonds. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee (defined hereinafter) prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its "San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)" (the "Bonds") issued in an aggregate principal amount of \$[_____], all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the "Act") and under and pursuant to the provisions of the Trust Agreement (copies of the Trust Agreement are on file at the corporate trust office of the Trustee in Los Angeles, California).

The Bonds are issuable as fully registered bonds in the denomination of \$5,000 principal amount or any integral multiple thereof. Subject to the limitations and conditions and upon payment of the charges, if any, as provided in the Trust Agreement, Bonds may be exchanged for a like aggregate principal amount of Bonds of other Authorized Denominations.

The Bonds are issued to provide funds to finance the improvement, equipping, and remodeling of certain public high school buildings and related facilities, located in the San Dieguito Union High School District (as more fully defined in the Trust Agreement, the "Project"). The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the "Revenues") derived from certain Base Rental Payments made by the San Dieguito Union High School District (the "District") pursuant to the Facility Sublease dated as of [March 1], 2012 (as amended from time to time, the "Facility Sublease"), by and between the Authority and the District, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge and assignment of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority, Community Facilities District No. 94-1 of the San Dieguito Union High School District (the other member, along with the District, of the Authority) and the District are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal (or premium, if any) of the Bonds is a debt, liability or general obligation of the Authority, the District or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the

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nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption as set forth in the Trust Agreement.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

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IN WITNESS WHEREOF, the San Dieguito Public Facilities Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Treasurer of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the Dated Date specified above.

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

By _____
Treasurer

Countersigned:

Authority Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION
AND REGISTRATION

This is one of the SAN DIEGUITO PUBLIC FACILITIES AUTHORITY LEASE REVENUE BONDS, SERIES 2012A (TORREY PINES HIGH SCHOOL PROJECTS), described in the within-mentioned Trust Agreement and authenticated and registered on _____, 2012.

U.S. BANK NATIONAL ASSOCIATION, as Trustee

By _____ [specimen – not for signature] _____
Authorized Officer

DTC LEGEND

Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Trustee for registration of transfer, exchange, or payment, and any certificate issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL inasmuch as the registered owner hereof, Cede & Co., has an interest herein.

ASSIGNMENT

For value received the undersigned do(es) hereby sell, assign and transfer unto _____ the within-mentioned Registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the books of the Trustee with full power of substitution in the premises.

I.D. Number

NOTE: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Registered Bond in every particular, without alteration or enlargement or any change whatsoever.

Dated: _____

Signature Guarantee: _____
Notice: Signature must be guaranteed by an eligible guarantor institution.

APPENDIX B

FORM OF REQUISITION – PROJECT FUND

Date: _____

No. ____

U.S. Bank National Association
Corporate Trust Services
633 West Fifth St., 24th Floor
Los Angeles, California 90071

Re: San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)

Ladies and Gentlemen:

This letter is our authorization to you to disburse from the Project Fund provided for in Section 3.02 of the Trust Agreement dated as of [March 1], 2012 (the "Trust Agreement") between the San Dieguito Public Facilities Authority and U.S. Bank National Association, as trustee, the amounts indicated on the schedule attached hereto to the therein-named individuals, firms and corporations, together with the appropriate invoices, for costs related to completion of the Project. The obligations in the stated amounts have been incurred by the District, and each item thereof is a proper charge against the Project Fund and has not been previously paid from said fund or from the proceeds of the Bonds. There has not been filed with or served upon the Authority or the District notice of any lien, right to lien or attachment upon, or claim affecting the right to receive payment of, any of the moneys payable to any of the persons named below, which has not been released or will not be released simultaneously with the payment of such obligation, other than materialmen's or mechanics' liens accruing by mere operation of law.

The obligations in the stated amounts have been incurred by the San Dieguito Union High School District and each item thereof is a proper charge against the Project Fund.

Very truly yours,

**SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT**

By: _____

EXHIBIT B

Form of Continuing Disclosure Certificate

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the San Dieguito Union School District (the “District”) in connection with the issuance of \$ _____ aggregate principal amount of San Dieguito Public Facilities Authority 2012 Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the “Bonds”). The Bonds are being issued as authorized by resolutions adopted by the District on _____, 2012 and by the San Dieguito Public Facilities Authority (the “Authority”) on _____, 2012 (together, the “Resolution”), and in accordance with the terms of a Trust Agreement, dated as of [March 1], 2012 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). The District covenants and agrees as follows:

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person who has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

“Dissemination Agent” shall mean Willdan Financial Services, or any successor Dissemination Agent designated in writing by the District and which has filed with the District a written acceptance of such designation.

“Holder” shall mean the person in whose name any Bond shall be registered.

“Listed Events” shall mean any of the events listed in Section 5(a) or (b) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at <http://emma.msrb.org>.

“Participating Underwriter” shall mean E. J. De La Rosa & Co., Inc., or 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(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

SECTION 3. Provision of Annual Reports.

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(a) The District shall, or shall cause the Dissemination Agent to, not later than nine months after the end of the District's fiscal year (presently June 30), commencing with the Annual Report for the fiscal year of the District ending June 30, 2012 (which is due no later than April 30, 2013), provide to the Participating Underwriter and the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. Each Annual Report must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB, and may include by 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. The Dissemination Agent shall not have any duties or responsibilities with respect to the contents of the Annual Report. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5.

(b) Not later than 15 Business Days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent.

(c) If the District is unable to provide the Annual Report to the MSRB by the date required in subsection (a) of this Section, the District shall send a notice to the MSRB through the EMMA System in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall file a report with the District and (if the Dissemination Agent is not the Trustee) the Trustee certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, stating the date it was provided.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

- (a) Audited financial statements prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.
- (b) The Average Daily Attendance and Base Revenue Limit for the last completed fiscal year for the District.
- (c) The number of employees for the last completed fiscal year, broken down into the following categories: non-management certificated; certificated management; classified non-management; classified management; and total number of all employees for the District.
- (d) The contributions to PERS and STRS for the last completed fiscal year for the District.
- (e) The audited Statement of Income, Expenditures and Changes in Fund Balance for the General Fund, for the last completed fiscal year for the District.

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- (f) The adopted budget for the current fiscal year, together with any amendments thereto, for the District.
- (g) Information regarding the investment policies and practices with respect to District funds and the status of the investment of District funds, similar to the information included in the Official Statement, including the annual report for the last completed fiscal year relating to the Pooled Surplus Investments Fund maintained by the county in which the District is located pursuant to California Government Code Sections 53600 *et seq.*, together with the most recent monthly report for such investment pool, so long as the District has money on deposit therein.
- (h) Assessed Value of taxable property within the District and the District's total property tax levy, in each case for the current fiscal year.
- (i) Outstanding borrowings and long-term obligations payable from the District's General Fund, including:
 - (1) general obligation bonds, certificates of participation, tax and revenue anticipation notes, pension obligation bonds, capital leases and operating leases;
 - (2) a description of any obligations of the type referred to in (1) above that have been issued, entered into or incurred since the beginning of the District's current fiscal year; and
 - (3) a description of any obligations of the type referred to in (1) above that the District reasonably expects to issue, enter into or incur within the 60 day period following the date of filing of the Annual Report.
- (j) In addition to any of the information expressly required to be provided under subsections (a) and (b) of this Section, the District shall provide such further information, if any, as may be necessary to make the specifically required statements, in the light of the circumstances under which they are made, not misleading.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the MSRB through the EMMA System. The District shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

- (a) The District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds not later than ten business days after the occurrence of the event:
 - 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;

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5. Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), 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) 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, not later than ten business days after the occurrence of the event:

1. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. Modifications to rights of Bond holders;
3. Optional, unscheduled or contingent Bond calls;
4. Release, substitution, or sale of property securing repayment of the Bonds;
5. Non-payment related defaults;
6. 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; or
7. Appointment of a successor or additional paying agent or the change of name of a paying agent.

(c) The District shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the District obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the District shall determine if such event would be material under applicable federal securities laws.

(e) If the District learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under applicable federal securities laws, the District shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection (b)(3) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Trust Agreement.

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior prepayment or payment in full of all of the Bonds. If such termination occurs prior to the final principal payment date of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. 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. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the District.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

- (a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;
- (b) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) the proposed amendment or waiver (i) is approved by holders of the Bonds in the manner provided in the Trust Agreement for amendments to the Trust Agreement with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(e), 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

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prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in Superior Court of the State of California in and for the County of San Diego or in U.S. District Court in or nearest to the County. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

SECTION 12. Governing Law. This Disclosure Certificate shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

Date: _____, 2012

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT

By: _____
Authorized Officer

WILLDAN FINANCIAL SERVICES

By: _____
Authorized Officer

EXHIBIT A

NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: San Dieguito Public Facilities Authority
Name of Obligated Person: San Dieguito Union High School District
Name of Issue: San Dieguito Public Facilities Authority Lease Revenue Bonds, Series
2012A (Torrey Pines High School Projects)
Date of Issuance: _____, 2012

NOTICE IS HEREBY GIVEN that the San Dieguito Union High School District (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by Section 2 of its Continuing Disclosure Certificate, dated as of [March 1], 2012, executed and delivered by the District. [The District anticipates that the Annual Report will be filed by _____.]

Dated: _____

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

EXHIBIT C

Form of Bond Purchase Contract

BOND PURCHASE CONTRACT

[\$[Par Amount]

**San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)**

_____ __, 2012

San Dieguito Union High School District
Encinitas, California

San Dieguito Public Facilities Authority
Encinitas, California

Ladies and Gentlemen:

The undersigned, E. J. De La Rosa & Co., Inc. (the “Underwriter”), acting on its own behalf and not as fiduciary or agent for you, hereby offers to enter into this Bond Purchase Contract (the “Purchase Contract”) with the San Dieguito Union High School District (the “District”) and the San Dieguito Public Facilities Authority (the “Authority”) for the purchase by and the delivery to the Underwriter of the Bonds specified below. This offer is made subject to acceptance by the District and the Authority prior to 11:59 p.m., California time, on the date hereof, and upon such acceptance this Purchase Contract shall be in full force and effect in accordance with its terms and shall be binding upon the District, the Authority and the Underwriter.

1. Purchase and Sale Upon the terms and conditions and upon the basis of the representations, covenants and agreements herein set forth, the Underwriter hereby agrees to purchase, and the Authority hereby agrees to issue and to execute and to instruct the Trustee (as hereinafter defined) to authenticate and deliver to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) as shown in Appendix A (the “Bonds”). The Bonds are to be dated their date of delivery and are as more fully described in the Official Statement hereinafter mentioned. The Bonds shall be purchased at the aggregate purchase price of \$_____ (representing an aggregate principal amount of \$_____, less an underwriter’s discount of \$_____). The Bonds shall mature on [March 1], 2020, bear interest at the rate of [_____] % per annum and have the initial offering price of 100%. Interest on the Bonds shall be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Bonds shall be as described in, and shall be issued and secured under, a Trust Agreement, dated as of [March 1], 2012 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”). The Bonds are payable and subject to prepayment as provided in the Trust Agreement. The Bonds are payable from and secured by the Authority’s pledge of Revenues under the Trust Agreement. “Revenues” means (i) all Base Rental Payments (as defined in the Sublease) and other payments paid by the District and received by the Authority (but not Additional Payments as defined in the Sublease) pursuant to a Facility Sublease (the “Sublease”), dated as of [March 1], 2012, by and between the Authority, as lessor and the District, as lessee, and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Trust Agreement or the Sublease.

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The Bonds shall be as described in the Trust Agreement substantially in the form previously submitted to the Underwriter with only such changes therein as shall be mutually agreed upon by the Authority, the District, the Trustee and the Underwriter. This Purchase Contract, the Trust Agreement, the Sublease, the Facility Lease, dated as of [March 1], 2012 (the "Facility Lease"), by and between the District and the Authority and the Continuing Disclosure Certificate, dated as of [March 1], 2012 (the "Disclosure Certificate"), executed and delivered by the District, are collectively referred to herein as the "Legal Documents." Capitalized terms used herein that are defined in the Trust Agreement or the Sublease shall have the same meanings when used herein.

2. Offering. The District and the Authority shall deliver or cause to be delivered to the Underwriter, within seven Business Days from the date hereof, a reasonable number of copies (as requested by the Underwriter) of the Official Statement, dated the date hereof, relating to the Bonds, in order to permit the Underwriter to comply with the obligations of the Underwriter pursuant to the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12(b)(4) under the Securities Exchange Act of 1934, as amended, including, without limitation, as necessary to accompany any confirmation requesting payment from any customers of the Underwriter. In connection with the covenant and agreement of the District set forth in this section, the Underwriter agrees to file the Official Statement (including the Official Statement as it may be amended or supplemented) with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system within one Business Day after receipt from the District, but in no event later than the Closing Date. The Official Statement (the Official Statement, including the cover page, inside cover page, the appendices and any amendments or supplements thereto and all information incorporated therein by reference, is referred to herein as the "Official Statement") shall be approved for distribution by a resolution of the Board of Trustees of the District (the "District Resolution") and a resolution adopted by the Board of Directors of the Authority (the "Authority Resolution" and, together with the District Resolution, the "Resolutions"). By acceptance of this Purchase Contract, the District and the Authority hereby authorize the use of copies of the Official Statement and the Preliminary Official Statement dated _____, 2012 (the "Preliminary Official Statement") in connection with the public offering and sale of the Bonds.

The Underwriter agrees to make a bona fide public offering of the Bonds at the initial offering prices or yields set forth on the inside cover of the Official Statement; however, the Underwriter reserves the right to make concessions to dealers and to change such initial offering prices or yields as the Underwriter shall deem necessary in connection with the marketing of the Bonds.

The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Purchase Contract is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with such transaction, the Underwriter has not assumed a fiduciary responsibility in favor of the District with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the District on other matters) or (y) any other obligation to the District except the obligations expressly set forth in this Purchase Contract, and (iii) the District has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

3. Closing At 8:00 a.m., Pacific time, on _____, 2012, or at such other time or on such earlier or later date upon which the District, the Authority and the Underwriter mutually agree (the "Closing"), the Trustee will deliver or cause to be delivered to The Depository Trust Company ("DTC") in New York, New York, one fully registered book-entry bond for each maturity, duly executed, and the other documents hereinafter mentioned shall be delivered at the offices of Manatt, Phelps & Phillips, LLP, Los Angeles, California. CUSIP identification numbers shall be printed on the Bonds, but the failure to print such numbers on any of the Bonds or any error with respect thereto shall not constitute cause for a failure or refusal by the Underwriter to accept delivery of, or pay for, the Bonds in accordance

with the terms of this Purchase Contract. The Underwriter will accept delivery of the Bonds and pay the purchase price thereof by federal funds wire payable to the order of the Trustee in an amount equal to the purchase price indicated in Paragraph 1, above. The Bonds will be made available to the Underwriter for inspection at such place as may be mutually agreed to by the Underwriter and the Authority, for checking prior to the Closing.

4. Representations and Agreements of the District. The District represents, warrants and covenants to the Underwriter that:

(a) The District is a school district duly organized and validly existing under the Constitution and general laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Trust Agreement, the Facility Lease, the Sublease, the Disclosure Certificate and this Purchase Contract (collectively, the "District Documents"), and, when executed and delivered by the respective parties thereto, the District Documents will constitute the legal, valid and binding obligations of the District enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles (whether in proceedings at law or in equity).

(b) The execution and delivery of the District Documents and compliance with the provisions thereof and the approval of the Official Statement, will not in any material respect conflict with, or constitute a breach of or default under, any law, administrative regulation, court decree, resolution or other agreement or document to which the District is subject or by which it or any of its property is bound.

(c) Except as may be required under blue sky or other securities laws of any state, and except as such have been obtained and are in full-force and effect, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority required in connection with the execution, delivery and sale or exchange of the Bonds, the execution and delivery of the District Documents or the consummation by the District of the other transactions contemplated by the Official Statement or this Purchase Contract.

(d) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the District, threatened against or affecting the District, (i) which would materially and adversely impact the District's ability to complete the transactions described in or contemplated by the Official Statement, (ii) to restrain or enjoin the delivery of the Bonds or the payments to be made by the District pursuant to the Sublease, (iii) in any way contesting or affecting the validity of the District Documents or the Bonds or the transactions described in the Official Statement, or contesting in any way the completeness or accuracy of the Official Statement, or (iv) wherein an unfavorable decision, ruling or finding would materially and adversely affect the District or the validity or enforceability of the District Documents or the Bonds.

(e) The information relating to the District contained in the Official Statement is true and correct in all material respects and such information does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading (except that no representation or warranty is made with respect to the information concerning the DTC Book-Entry System).

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(f) The District shall cooperate with the Underwriter in endeavoring to qualify the Bonds for offering and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may request; provided, however, that any expenses or costs shall be born by the Underwriter and that the District shall not be required to execute a special or general consent to service of process in any jurisdiction in which it is not now so subject or to qualify to do business in any jurisdiction where it is not now so qualified.

(g) By official action of the District prior to or concurrently with the execution of this Purchase Contract, the District has duly approved the distribution of the Official Statement and the Preliminary Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the District of the obligations on its part contained in, the District Documents and the consummation by it of all other transactions with respect to the execution and delivery of the Bonds as contemplated by the Official Statement and this Purchase Contract, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(h) The District is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the District is a party or to which it or any of its property is otherwise subject which breach or default would have a material and adverse impact on the District's ability to perform its obligations under the District Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which would have a material and adverse impact on the District's ability to perform its obligations under the District Documents.

(i) The District covenants with the Underwriter that so long as the Underwriter is required under Rule 15c2-12, adopted by the Securities and Exchange Commission ("Rule 15c2-12") or any amendment or successor thereto, to send any potential customer, on request, a copy of the Official Statement (the "Delivery Period"), if an event occurs, which might or would cause the information contained in the Official Statement, as then supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter of any such event of which it has knowledge, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District shall cooperate with the Underwriter in the preparation of an amendment or supplement to the Official Statement in a form and in a manner approved by the Underwriter. All printing expenses thereby incurred during the Delivery Period shall be paid for by the District.

(j) If the information relating to the District, the Legal Documents or the Bonds contained in the Official Statement is amended or supplemented pursuant to the immediately preceding subparagraph, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such subparagraph) at all times subsequent thereto up to and including the end of the Delivery Period, the portions of the Official Statement so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(k) The District has never been and is not now in default as to the payment of principal or interest with respect to an obligation issued by the District or successor of the District

or with respect to an obligation guaranteed by the District as guarantor or successor of a guarantor.

(l) The District has not failed in any material respect to comply with any undertaking to provide annual or material event disclosure pursuant to any undertaking under Rule 15c2-12.

(m) The District will undertake, pursuant to the Disclosure Certificate, to provide certain annual financial information and notices of the occurrence of certain events, if material. A description of this undertaking is set forth in the Preliminary Official Statement and will also be set forth in the Final Official Statement.

(n) The District has, and has had, no financial advisory relationship with the Underwriter with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriter.

5. Representations and Agreements of the Authority. The Authority represents, warrants and covenants to the Underwriter that:

(a) The Authority is a joint powers authority, duly organized and existing pursuant to pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California and an agreement entitled "Joint Powers Agreement," dated October 22, 1998 (the "JPA Agreement"), between the District and Community Facilities District No. 94-1 of the District.

(b) The Authority has all necessary power and authority to enter into and perform its duties under the Trust Agreement, the Facility Lease, the Sublease and this Purchase Contract (collectively, the "Authority Documents") and, when executed and delivered by the other parties thereto, the Authority Documents will constitute the legal, valid and binding obligations of the Authority enforceable in accordance with their respective terms, except as the enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting the enforcement of creditors' rights generally and by the application of equitable principles if equitable remedies are sought.

(c) The execution and delivery of the Authority Documents and compliance with the provisions thereof, and the approval of the Official Statement, will not in any material respect conflict with, or constitute a breach of or default under, any law, administrative regulation, court decree, resolution, bylaws, bond, note, loan agreement, lease purchase agreement, lease, installment purchase agreement or other agreement or document to which the Authority is subject or by which it or any of its property is bound.

(d) Except as may be required under Blue Sky or other securities laws of any state, there is no consent, approval, authorization or other order of, or filing with, or certification by, any regulatory authority having jurisdiction over the Authority, other than the approval and authorization of the Governing Board of the Authority, required for the issuance and sale of the Bonds, the execution and delivery of the Authority Documents or the consummation by the Authority of the other transactions contemplated by the Official Statement and this Purchase Contract.

(e) There is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or, to the best of the knowledge of the Authority,

threatened against or affecting the Authority, (i) which would materially and adversely impact the Authority's ability to complete the transactions described in or contemplated by the Official Statement, (ii) to restrain or enjoin the delivery of the Bonds or the payments to be made by the Authority pursuant to the Facility Lease, (iii) in any way contesting or affecting the validity of the Authority Documents or the Bonds or the transactions therein, or contesting in any way the completeness or accuracy of the Official Statement, or (iv) wherein an unfavorable decision, ruling or finding would materially and adversely affect the Authority or the validity or enforceability of the Authority Documents or the Bonds.

(f) The information in the Official Statement regarding the Authority is true and correct in all material respects and such information does not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(g) By official action of the Authority prior to or concurrently with the execution hereof, the Authority has duly authorized and approved the execution and delivery of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents and the consummation by it of all other actions to be taken by the Authority with respect to the execution and delivery of the Bonds as contemplated by the Official Statement and the Purchase Contract, and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(h) The Authority is not in breach of or default under any applicable law or administrative regulation of the State of California or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or to which it or any of its property is otherwise subject which breach or default would have a material and adverse impact on the Authority's ability to perform its obligations under the Authority Documents, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would constitute a default or an event of default under any such instrument, which would have a material and adverse impact on the Authority's ability to perform its obligations under the Authority Documents.

(i) The Authority is not in default, nor has been in default at any time, as to the payment of principal or interest with respect to an obligation issued by the Authority or successor of the Authority or with respect to an obligation guaranteed by the Authority as guarantor or successor of a guarantor.

(j) The Authority has, and has had, no financial advisory relationship with the Underwriter with respect to the Bonds, nor with any investment firm controlling, controlled by or under common control with the Underwriter.

6. Representations and Agreements of the Underwriter. The Underwriter represents to and agrees with the District and the Authority that, as of the date hereof and as of the date of the Closing:

(a) The Underwriter is duly authorized to execute this Purchase Contract and to take any action under this Purchase Contract required to be taken by it, and the undersigned officer of the Underwriter is duly authorized to sign this Purchase Contract on behalf of the Underwriter and to bind the Underwriter hereby.

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(b) The Underwriter is in compliance with MSRB Rule G-37 with respect to the District, and is not prohibited thereby from acting as underwriter with respect to securities of the District.

(c) The Underwriter has, and has had, no financial advisory relationship with the District or the Authority with respect to the Bonds, and no investment firm controlling, controlled by or under common control with the Underwriter has or has had any such financial advisory relationship.

(d) The Underwriter has reasonably determined that the District's undertaking pursuant to Section 4(m) hereof and as specified in the Disclosure Certificate to provide continuing disclosure with respect to the Bonds is sufficient to effect compliance with Rule 15c2-12.

7. Conditions to Closing. The Underwriter has entered into this Purchase Contract in reliance upon the representations and warranties of the District and the Authority contained herein, the Bonds to be delivered pursuant hereto and the opinions of Manatt, Phelps & Phillips, LLP ("Bond Counsel"), counsel to the Trustee, and special tax counsel to the Authority required hereby. The Underwriter's obligations under this Purchase Contract are and shall be subject to the following further conditions:

(a) At the time of Closing, the Legal Documents shall be in full force and effect as valid and binding obligations between or among the various parties thereto, and the Legal Documents and the Official Statement shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, the Authority and the District and there shall be in full force and effect such resolutions as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) At or prior to the Closing, the Underwriter shall receive the following documents, in each case satisfactory in form and substance to the Underwriter and its counsel:

(1) the approving opinion of Bond Counsel in substantially the form included as Appendix C-1 to the Official Statement, dated the date of Closing, addressed to the Authority;

(2) a supplemental opinion (or opinions) of Bond Counsel, dated the Closing Date, in form and substance satisfactory to the Underwriter and Counsel to the Underwriter, addressed to the Authority and the Underwriter, to the effect that:

(i) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended, and the Trust Agreement is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended;

(ii) the Purchase Contract has been duly executed and delivered by the Authority and the District, and (assuming due authorization, execution and delivery by and validity against the Underwriter), is a legal, valid and binding obligations of the Authority and the District enforceable in accordance with their respective terms, subject to (A) applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws), (B) the effect of general principles of equity, including without limitation, concepts

ITEM 19

of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law, (C) the exercise of judicial discretion in appropriate cases, (D) the limitations on legal remedies imposed on actions against public entities in the State, and (E) the application of State laws relating to conflicts of interest to which public entities are subject; and provided that no opinion need be expressed on indemnification provisions; and

(iii) the statements in the Official Statement on the cover page relating to tax, description of the Bonds and security for the Bonds, and statements under the captions “THE SERIES 2012A BONDS,” “SECURITY FOR AND SOURCES OF PAYMENT FOR THE SERIES 2012A BONDS,” and in “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS,” taken together insofar as such statements purport to summarize certain provisions of the Bonds, the Legal Documents and the approving opinion or opinions of such counsel, are true and accurate in all material respects (excluding any information relating to DTC or its book-entry only system);

(3) a certificate, signed by an official of the District, confirming to the Underwriter that the Preliminary Official Statement as of its date did not, and the Official Statement as of its date and at the time of Closing did not and does not, to the best of the knowledge of said official, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition or affairs of the District which would make it unreasonable for the purchaser of the Bonds to rely upon the Official Statement in connection with the resale of the Bonds; excluding in each case any information contained therein relating to DTC or its book-entry only system; information contained therein describing the investment policy of the County of San Diego, its current portfolio holdings, and valuation procedures (as they relate to funds of the District held by the Treasurer-Tax Collector of the County of San Diego); information provided by the Underwriter regarding CUSIP numbers or the prices or yields at which the Bonds were re-offered to the public, as to all of which the District expresses no view.

(4) an opinion of special tax counsel to the Authority and the District in substantially the form included (i) as Appendix C-2 to the Official Statement, dated the date of Closing, addressed to the Authority and the District and (ii) as Appendix D hereto, dated the date of Closing, addressed to the Underwriter;

(5) an opinion of the District Counsel, dated the date of Closing, addressed to the District, the Authority and the Underwriter, covering the matters set forth in Appendix A hereto;

(6) the opinion of counsel to the Trustee, dated the date of Closing, addressed to the Underwriter, the Authority and the District covering the matters set forth in Appendix B hereto;

(7) an opinion of the District Counsel as counsel to the Authority, dated the date of Closing, addressed to the Authority, the District and the Underwriter, covering the matters set forth in Appendix C hereto;

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(8) a certificate, dated the date of Closing, signed by a duly authorized official of the District, to the effect that:

(i) the representations, warranties and covenants of the District contained in this Purchase Contract are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; and

(ii) the District has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied pursuant to the Legal Documents at or prior to the Closing;

(9) a certificate, dated the date of Closing, signed by a duly authorized official of the Authority, to the effect that:

(i) the representations, warranties and covenants of the Authority contained in this Purchase Contract are true and correct in all material respects on and as of the date of the Closing with the same effect as if made on the date of the Closing; and

(ii) the Authority has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied pursuant to the Legal Documents at or prior to the Closing;

(10) an executed or certified copy of the Legal Documents;

(11) an executed copy of the Official Statement;

(12) a certified copy of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution and delivery of the Bonds and the Trust Agreement;

(13) copies of the District Resolution adopted by the Board of Trustees of the District and certified by an authorized officer authorizing the execution and delivery of the Legal Documents to which the District is a party;

(14) copies of the Authority Resolution adopted by the Board of Directors of the Authority and certified by an authorized officer of the Authority authorizing the execution and delivery of the Legal Documents to which the Authority is a party;

(15) a tax certificate of the District and the Authority in form and substance acceptable to Bond Counsel and special tax counsel;

(16) the letter of Standard & Poor's Ratings Service to the effect that such rating agency has rated the Bonds "AA-", and that such rating has not been revoked or downgraded;

(17) evidence of arrangements for the issuance of a CTLA title insurance policy insuring the District's subleasehold estate in the Property, subject only to the exceptions set forth in Section 5.05 of the Facility Sublease, together with an endorsement providing for a Special Damages Calculation or similar amendment of the

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leasehold damages calculation to provide coverage at the principal amount of the Bonds, in form and substance acceptable to Bond Counsel, Underwriter's Counsel and the Underwriter;

(18) a certificate or certificates, dated the date of the Preliminary Official Statement, of the Authority and the District addressed to the Underwriter, to the effect that for purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, the Authority and the District, respectively, deems the Preliminary Official Statement to be final as of its date;

(19) copies of the preliminary and final notices to the California Debt and Investment Advisory Commission relating to the Bonds; and

(20) a certificate of the Trustee, dated the Closing date, to the effect that:

(i) the Trustee is a national banking association duly organized and in good standing under the laws of the United States and has all necessary legal power and authority to enter into and perform its duties under the Trust Agreement;

(ii) the Trustee is duly authorized to enter into the Trust Agreement and to authenticate and deliver the Bonds to the Underwriter pursuant to the terms of the Trust Agreement and this Purchase Contract, and the Bonds have been duly authenticated and delivered by the Trustee in accordance with the Trust Agreement;

(iii) the execution and delivery of the Trust Agreement, and compliance with the provisions thereof, will not conflict with, or constitute a breach of or default under, any law, administrative regulation, court decree, resolution, charter, by-laws or other agreement to which the Trustee is subject or by which it is bound. No representation or warranty need be made as to any state or federal securities laws, or the tax consequences of any payment on any Bonds of any federal, state or local tax law; and

(iv) to the knowledge of the Trustee, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental agency, public board or body served on or threatened against or affecting the existence of the Trustee, or in any way contesting or affecting the validity or enforceability of the Bonds, or the Trust Agreement or contesting the powers of the Trustee or its authority to enter into and perform its obligations under such documents wherein an unfavorable decision, ruling or finding would adversely affect the validity of such documents; and

(21) such additional legal opinions, certificates, proceedings, instruments and other documents as Bond Counsel may reasonably request to evidence compliance by the Trustee, the Authority and the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations contained herein and of the information contained in the Official Statement, and the due performance or satisfaction by the Trustee, the District and the Authority, at or prior to such time, of all agreements then to be performed and all conditions then to be satisfied.

(c) All matters relating to the Legal Documents, the Bonds and the sale thereof, and the consummation of the transactions contemplated by the Legal Documents shall have been approved by the Underwriter, such approval not to be unreasonably withheld.

If the conditions to the Underwriter's obligations contained in this Purchase Contract are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and the Underwriter, the District and the Authority shall have no further obligations hereunder. In the event that the Underwriter fails (other than for a reason permitted by this Purchase Contract) to accept and pay for the Bonds at the Closing, an amount equal to one percent (1%) of the principal amount of the Bonds shall be full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and the acceptance of such amount shall constitute a full release and discharge of all claims and rights of the Trustee, the District and the Authority against the Underwriter.

8. Termination. (a) *By the Authority or the District.* In the event of the Authority's failure to deliver the Bonds at the Closing, or inability of the Authority or the District to satisfy the conditions to the obligations of the Underwriter contained herein (unless waived by the Underwriter), or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate.

(b) *By the Underwriter.* The Underwriter may terminate this Purchase Contract, without any liability therefor, by notification to the Authority and the District if as of the Closing Date any of the following shall have had a material adverse effect on the marketability or market price of the Bonds, in the reasonable opinion of the Underwriter, upon consultation with the Authority and the District:

(1) There shall have occurred and be continuing the declaration of a general banking moratorium by any authority of the United States or the State of New York or the State of California;

(2) There shall be in force a general suspension of trading or other material restrictions not in force as of the date hereof on the New York Stock Exchange or other national securities exchange;

(3) Legislation shall have been enacted by the Congress of the United States, or passed by and still pending before either House of the Congress, or recommended or endorsed to the Congress for passage by the President of the United States, or favorably reported for passage to and still pending before either House of the Congress by any committee of such House to which such legislation has been referred for consideration, or a decision shall have been rendered by a court of the United States, or the United States Tax Court, or a ruling or regulation shall have been issued by the U.S. Treasury, with respect to federal tax treatment of tax credits, federal taxation of interest received on securities of the general character of the Bonds, or legislation shall have been enacted by the State of California which renders interest on the Bonds not exempt from State of California personal income taxes, which in the reasonable opinion of the Purchaser materially adversely affects the marketability or market price of the Bonds;

(4) Legislation shall have been enacted, or a decision of a court of the United States shall have been rendered or any action shall have been taken by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction in the subject matter which, in the opinion of Bond Counsel, has the effect of

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requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the Resolution or the Trust Agreement to be qualified under the Trust Indenture Act of 1939, as amended;

(5) The New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose and there shall be in effect, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charges to the net capital requirements of, underwriters;

(6) Congress shall have made a formal declaration of war, or the President of the United States shall have ordered a new major engagement in or escalation of military hostilities, or there shall have occurred a declared national emergency that interrupts or causes disorder to the operation of the financial markets in the United States for a period of more than 30 days.

(7) The withdrawal or downgrading of any rating of the District's outstanding indebtedness by a national rating agency; or

(8) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material adverse respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading, or which, in the Underwriter's judgment, requires or has required an amendment of or supplement to the Official Statement.

In the event the Underwriter shall fail to pay for the Bonds upon tender of the Bonds at the Closing, the Underwriter shall have no right in or to the Bonds.

9. Amendment. After the Closing the District will not adopt any amendment or supplement to the Official Statement to which the Underwriter shall object in writing or which shall be disapproved by the Underwriter or counsel for the Underwriter.

10. Expenses. In connection with the underwriting of the Bonds, the District shall pay the following expenses from the proceeds of the Bonds, and to the extent or in the event not so paid such expenses shall be paid directly by the District:

- (a) the cost of preparing, printing, executing and delivering the Bonds, including all expenses relating to the printing of CUSIP numbers on the Bonds and the CUSIP Service Bureau charge for the assignment of said numbers;
- (b) the fees and expenses of the Trustee, including the fees and expenses of the Trustee's counsel;
- (c) all fees charged by any rating agency for rating the Bonds;
- (d) the cost of printing, distribution and delivery of the Official Statement; and

(e) the fees and disbursements of Bond Counsel to the District.

All out-of-pocket expenses of the Underwriter shall be paid by the Underwriter (including without limitation costs associated with qualifying the Bonds for sale under any state “Blue Sky” laws, California Debt and Investment Advisory Commission fees, sales and advertising expenses, and any other incidental expenses).

10. Notices. Any notice or other communication to be given under this Purchase Contract (other than the acceptance hereof as specified in the introductory paragraph hereof) may be given to the District by delivering the same in writing to the District at the address given below, and may be given to the Underwriter by delivering the same in writing to the address of the Underwriter set forth in Appendix A, or such other address as the District or the Underwriter may designate by notice to the other party.

To the District: San Dieguito Union High School District
c/o San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, CA 92024
Attn: Eric Dill, Associate Superintendent of Business Services

To the Authority: San Dieguito Public Facilities Authority
c/o San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, CA 92024
Attn: [Name], Treasurer

To The Underwriter: E. J. De La Rosa & Co., Inc.
101 Montgomery Street, Suite 2150
San Francisco, CA 94104
Attn: Ralph Holmes, Principal

All notices or communication given hereunder by any party shall be given and served upon each other party.

11. Parties in Interest. This Purchase Contract is made solely for the benefit of the District, the Authority and the Underwriter (including the successors or assigns thereof) and no other person shall acquire or have any right hereunder or by virtue hereof. All representations, warranties and agreements in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) delivery of and payment for any of the Bonds; and (b) any termination of this Purchase Contract.

12. Severability. If any provision of this Purchase Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

13. Governing Law. This Purchase Contract shall be governed by the laws of the State of California.

14. Headings. The headings of the paragraphs and sections of this Purchase Contract are inserted for convenience of reference only and shall not be deemed to be a part hereof.

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15. Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Respectfully submitted,
E. J. DE LA ROSA & CO., INC.

By: _____
Authorized Officer

Accepted: _____, 2012.

Time: _____ p.m.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By: _____
Associate Superintendent
Business Services

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

By: _____
Treasurer

APPENDIX A

FORM OF OPINION OF DISTRICT COUNSEL

[closing date]

San Dieguito Union High School District
Encinitas, California

San Dieguito Public Facilities Authority
Encinitas, California

U.S. Bank National Association
Los Angeles, California

E.J De La Rosa & Co., Inc,
San Francisco, California

\$_[_____]

San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)

Ladies and Gentlemen:

I have served as counsel to the San Dieguito Union High School District (the “District”) in connection with the issuance and sale by the San Dieguito Public Facilities Authority (the “Authority”) of the \$_[_____] aggregate principal amount of San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the “Bonds”). As such counsel I have examined and am familiar with (i) the Joint Powers Agreement, dated October 22, 1998 (the “JPA Agreement”), between the District and the Community Facilities District No. 94-1 of the San Dieguito Union High School District, (ii) the Trust Agreement, dated as of [March 1], 2012, between the Authority and U.S. Bank National Association, as trustee (the “Trustee”), (iii) the Facility Lease, dated as of [March 1], 2012, between the District and the Authority (the “Facility Lease”), (iv) the Facility Sublease, dated as of [March 1], 2012, between the Authority and the District (the “Sublease”), (v) the Continuing Disclosure Certificate, dated as of [March 1], 2012, executed and delivered by the District (the “Continuing Disclosure Certificate”), (vi) the Bond Purchase Contract, dated _____, 2012, among the District, the Authority and E. J. De La Rosa & Co., Inc., as underwriter (the “Underwriter”) of the Bonds (the “Purchase Contract”); and (vii) an Official Statement of the Authority and the District relating to the Bonds, dated _____, 2012 (the “Official Statement”). In reviewing the documents and matters referred to above, the undersigned has assumed the genuineness of all documents and signatures presented and has not undertaken to verify independently, and has assumed the accuracy of the factual matters represented, warranted or certified therein. The Trust Agreement, the Sublease, the Continuing Disclosure Certificate and the Purchase Contract are referred to herein collectively as the “District Documents.” Terms used herein but not defined herein shall have the meanings assigned to them in the Purchase Contract.

Based upon the foregoing, it is my opinion that:

1. The District is a school district duly organized and validly existing under the Constitution and general laws of the State of California and has all necessary power and authority to enter into and perform its duties under the Trust Agreement, the Facility Lease, the Sublease, the Disclosure Certificate and the Purchase Contract.

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2. The resolution of the Board of Trustees of the District (the “Resolution”) approving and authorizing the issuance of the Bonds, the execution and delivery by the District of the Trust Agreement, the Facility Lease, the Sublease and the Official Statement was duly adopted at a meeting of the Board of the District which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. To the best of my knowledge after reasonable investigation, except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the District, to restrain or enjoin the issuance of the Bonds or in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Facility Lease or the Sublease.

4. The issuance of the Bonds and execution and delivery of the Trust Agreement, the Facility Lease, the Sublease and the Official Statement, the adoption of the Resolution, and compliance by the District with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the District a breach or default under any agreement or other instrument to which the District is a party (and of which I am aware after reasonable investigation) or by which it is bound (and of which I am aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the District is subject.

5. Based upon examinations which I have made and our discussions in conferences with certain officials of the District and others with respect to the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement (including the Appendices attached thereto), nothing has come to my attention which would lead me to believe that the information in the Official Statement relating to the District (other than financial and statistical data therein and incorporated therein by reference, and other than information relating to the DTC Book-Entry System, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

I express no opinion as to any matter other than as expressly set forth above. Without limiting the generality of the foregoing, I specifically express no opinion as to the status of the Bonds or the interest thereon, the Trust Agreement, the Resolution or Official Statement under any federal securities laws or any state securities or “Blue Sky” law or any federal, state or local tax law. Further, I express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the District Documents, and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

This opinion is delivered to the District, the Trustee, the Underwriter and Bond Counsel, and is solely for the benefit of such parties and is not to be used, circulated, quoted or otherwise referred to or relied upon by any other person or for any other purpose, except that Manatt, Phelps & Phillips, LLP, bond counsel to the Authority, may rely on this opinion and include it in the transcript of proceedings relating to the Bonds.

Very truly yours,

APPENDIX B

POINTS TO BE COVERED IN OPINION OF TRUSTEE COUNSEL

1. The Trustee is a national trust and savings association duly organized and validly existing under the laws of the United States.
2. The Trustee has taken all corporate action necessary to assume the duties and obligations of Trustee under the Trust Agreement.
3. The Trustee has lawful authority for the authentication of the Bonds and the Bonds have been duly executed by the Trustee and delivered in accordance with the Trust Agreement and are entitled to the benefits of the Trust Agreement.
4. The Trustee has qualified under the Trust Agreement to act thereunder.
5. The Trust Agreement has been duly authorized, executed and delivered by the Trustee and assuming due authorization, execution and delivery by the other parties thereto is the valid, legal and binding agreement of the Trustee, enforceable in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization or other similar laws affecting the enforcement of creditors' rights in general and by general principles of equity (regardless of whether such enforcement is considered in a proceeding in equity or at law).
6. No consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the execution and delivery by the Trustee of the Trust Agreement.

APPENDIX C

FORM OPINION OF COUNSEL TO THE AUTHORITY

[closing date]

San Dieguito Union High School District
Encinitas, California

E.J De La Rosa & Co., Inc,
San Francisco, California

U.S. Bank National Association
Los Angeles, California

\$_[_____]
San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)

Ladies and Gentlemen:

I have served as counsel to the San Dieguito Public Facilities Authority (the "Authority") in connection with the issuance and sale by the Authority of the \$[_____] aggregate principal amount of San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the "Bonds"). As such counsel I have examined and am familiar with (i) the Joint Powers Agreement, dated October 22, 1998 (the "JPA Agreement"), between the San Dieguito Union High School District (the "District") and the Community Facilities District No. 94-1 of the San Dieguito Union High School District, (ii) the Trust Agreement, dated as of [March 1], 2012, between the Authority and U.S. Bank National Association, as trustee (the "Trustee"), (iii) the Facility Lease, dated as of [March 1], 2012, between the District and the Authority (the "Facility Lease"), (iv) the Facility Sublease, dated as of [March 1], 2012, between the Authority and the District (the "Sublease"), (v) the Continuing Disclosure Certificate, dated as of [March 1], 2012, executed and delivered by the District (the "Continuing Disclosure Certificate"), (vi) the Bond Purchase Contract, dated _____, 2012, among the District, the Authority and E. J. De La Rosa & Co., Inc., as underwriter (the "Underwriter") of the Bonds (the "Purchase Contract"); and (vii) an Official Statement of the Authority and the District relating to the Bonds, dated _____, 2012 (the "Official Statement"). In reviewing the documents and matters referred to above, the undersigned has assumed the genuineness of all documents and signatures presented and has not undertaken to verify independently, and has assumed, the accuracy of the factual matters represented, warranted or certified therein. The Trust Agreement, the Sublease, and the Purchase Contract are referred to herein collectively as the "Authority Documents." Terms used herein but not defined herein shall have the meanings assigned to them in the Purchase Contract.

Based upon the foregoing, it is my opinion that:

1. The Authority is a joint exercise of powers agency duly organized and existing under the laws of the State of California.
2. The resolution of the Board of Directors of the Authority (the "Resolution") approving and authorizing the issuance of the Bonds, the execution and delivery by the Authority of the Trust Agreement, the Facility Lease, the Sublease and the Official Statement was duly adopted at a

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meeting of the Board of Directors of the Authority which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout.

3. To the best of my knowledge after reasonable investigation, except as disclosed in the Official Statement, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened against or affecting the Authority, to restrain or enjoin the issuance of the Bonds or in any way contesting or affecting the validity of the Bonds, the Trust Agreement, the Facility Lease or the Sublease.

4. The issuance of the Bonds and execution and delivery of the Trust Agreement, the Facility Lease, the Sublease and the Official Statement, the adoption of the Resolution, and compliance by the Authority with the provisions of the foregoing, under the circumstances contemplated thereby, do not and will not in any material respect conflict with or constitute on the part of the Authority a breach or default under any agreement or other instrument to which the Authority is a party (and of which I am aware after reasonable investigation) or by which it is bound (and of which I am aware after reasonable investigation) or any existing law, regulation, court order or consent decree to which the Authority is subject.

5. Based upon examinations which I have made and my discussions in conferences with certain officials of the Authority and others with respect to the Official Statement and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement (including the Appendices attached thereto), nothing has come to my attention which would lead me to believe that the information in the Official Statement relating to the Authority (other than financial and statistical data therein and incorporated therein by reference, and other than information relating to the DTC Book-Entry System, as to which no opinion is expressed) contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

I express no opinion as to any matter other than as expressly set forth above. Without limiting the generality of the foregoing, I specifically express no opinion as to the status of the Bonds or the interest thereon, the Trust Agreement, the Resolution or Official Statement under any federal securities laws or any state securities or "Blue Sky" law or any federal, state or local tax law. Further, I express no opinion with respect to any indemnification, contribution, choice of law, choice of forum or waiver provisions contained in the Authority Documents, and I express no opinion on the laws of any jurisdiction other than the State of California and the United States of America.

This opinion is delivered to the District, the Trustee, the Underwriter and Bond Counsel, and is solely for the benefit of such parties and is not to be used, circulated, quoted or otherwise referred to or relied upon by any other person or for any other purpose, except that Manatt, Phelps & Phillips, LLP, bond counsel to the Authority, may rely on this opinion and include it in the transcript of proceedings relating to the Bonds.

Very truly yours,

APPENDIX D

FORM SUPPLEMENTAL OPINION OF SPECIAL TAX COUNSEL

[closing date]

E.J. De La Rosa & Co., Inc.
San Francisco, California

\$ _____
San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)
Supplemental Opinion

[To Come from Special Tax Counsel]

EXHIBIT D

Form of Lease Agreement

Recording requested by
and return to:

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
c/o Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064

Attention: Masood Sohaili, Esq.

FACILITY LEASE

by and between the

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

and the

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

Dated as of [March 1], 2012

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

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FACILITY LEASE

This Facility Lease, dated as of [March 1], 2012 (this “Lease” or “Facility Lease”), by and between the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, CALIFORNIA, a school district duly organized and existing under and by virtue of the laws of the State of California (herein called the “District”), as lessor, and the SAN DIEGUITO PUBLIC FACILITIES AUTHORITY, a public entity and agency, duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the San Dieguito Union High School District and Community Facilities District No. 94-1 of the San Dieguito Union High School District (the “Authority”), as lessee;

W I T N E S S E T H :

WHEREAS, the Board of Trustees (the “Board”) of the District has determined that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that the District cause the Authority to execute and deliver lease revenue bonds entitled “[San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)]” (the “Bonds”) pursuant to a Trust Agreement, dated as of March 1, 2012, by and between U.S. Bank National Association, as Trustee (herein called the “Trustee”) and the Authority (the “Trust Agreement”), and to apply the proceeds of sale to pay the rental under this Facility Lease, which the district will in turn apply to finance certain public school improvements (the “Project”);

WHEREAS, the District intends to lease to the Authority and the Authority intends to lease from the District the Facility described in Section 1 hereof;

WHEREAS, the District is the owner in fee of the Facility and has sufficient right, title and interest to lease the Facility to the Authority hereunder;

WHEREAS, under a Facility Sublease, dated as of [March 1], 2012, and recorded concurrently herewith (herein called the “Facility Sublease”), between the Authority and the District, the District will be obligated to make base rental payments for the sublease of the Facility; and

NOW, THEREFORE, IT IS HEREBY MUTUALLY AGREED as follows:

SECTION 1. Demised Premises.

The District hereby leases to the Authority and the Authority hereby hires from the District, on the terms and conditions hereinafter set forth, the real property situated in the San Dieguito Union High School District, State of California, and described in Exhibit A attached hereto and made a part hereof (herein called the “Demised Premises”), including the public school facilities and improvements situated thereon other than and specifically excluding the public school facilities and improvements financed directly or indirectly pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2, Title 5 of the Government Code of the State of California (collectively with the Demised Premises, the “Facility”), together with any additional real property added to the

Demised Premises by any supplement or amendment hereto, or any real property substituted for all or any portion of such property in accordance with this Lease and the Trust Agreement; subject, however, to any conditions, reservations, and easements of record or known to the District. Property constituting the "Facility" may be substituted or released hereunder so long as the requirements of Section 2.03 or Section 7.03 of the Sublease are satisfied.

SECTION 2. Term.

The term of this Lease as to the Facility shall commence on [March __], 2012 and shall end on [March 1], 2020 unless such term is extended or sooner terminated as hereinafter provided. If on such date the Base Rental Payments attributable to the Facility and all other amounts then due under the Facility Sublease shall not be fully paid, or if the rental or other amounts payable under the Facility Sublease shall have been abated at any time and for any reason, then the term of this Lease shall be extended until ten (10) days after the Base Rental Payments and all other amounts then due under the Facility Sublease shall be fully paid, except that the term of this Lease shall in no event be extended beyond ten (10) years after the initial termination date. If prior to such date the Base Rental Payments and all other amounts then due under the Facility Sublease shall be fully paid, the term of this Lease shall end ten (10) days thereafter or upon written notice by the District to the Authority, whichever is earlier.

SECTION 3. Rental

The Authority shall pay to the District from the proceeds of the Bonds as and for rental hereunder an amount, not less than \$[_____], equal to the sum of the proceeds of the Bonds to be transferred to the District for the Project and proceeds applied to pay costs of issuance of the Bonds

SECTION 4. Purpose.

The Authority shall use the Facility solely for the purpose of leasing the Facility to the District pursuant to the Facility Sublease and for such purposes as may be incidental thereto; provided, that in the event of default by the District under the Facility Sublease the Authority may exercise the remedies provided in the Facility Sublease.

SECTION 5. Environmental Law and Regulations.

(a) Definitions used in this Section 5 and in Section 6.

"Asbestos Containing Materials" shall mean material in friable form containing more than one percent (1%) of the asbestiform varieties of (a) chrysotile (serpentine); (b) crocidolite (ricbeckite); (c) amosite (cummington-itegrinerite); (d) anthophyllite; (e) tremolite; and (f) antinolite.

"Asbestos Operations and Maintenance Plan" shall mean that written plan for the Facility relating to monitoring and maintaining all Asbestos Containing Materials used or located on the Demised Premises.

“Environmental Regulations” shall mean all Laws and Regulations, now or hereafter in effect, with respect to Hazardous Materials, including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (42 U.S.C. Section 9601, et seq.) (together with the regulations promulgated thereunder, “CERCLA”), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et seq.) (together with the regulations promulgated thereunder, “RCRA”), the Emergency Planning and Community Right-to-Know Act, as amended (42 U.S.C. Section 11001, et seq.) (together with the regulations promulgated thereunder, “Title III”), the Clean Water Act, as amended (33 U.S.C. Section 1321, et seq.) (together with the regulations promulgated thereunder, “CWA”), the Clean Air Act, as amended (42 U.S.C. Section 7401, et seq.) (together with the regulations promulgated thereunder, “CAA”) and the Toxic Substances Control Act, as amended (15 U.S.C. Section 2601, et seq.) (together with the regulations promulgated thereunder, “TSCA”), and any state or local similar laws and regulations and any so-called local, state or federal “superfund” or “superlien” law.

“Hazardous Materials” shall mean any material amount of flammable explosives, polychlorinated biphenyl compounds, heavy metals, chlorinated solvents, cyanide, radon, petroleum products, asbestos or any Asbestos Containing Materials, methane, radioactive materials, pollutants, hazardous materials, hazardous wastes, hazardous, toxic, or regulated substances or related materials, as defined in CERCLA, RCRA, CWA, CAA, TSCA and Title III, and the regulations promulgated pursuant thereto, and in all other Environmental Regulations applicable to the District, any of the Demised Premises, the Facility or the business operations conducted by the District thereon.

“Laws and Regulations” shall mean any applicable law, regulation, code, order, rule, judgment or consent agreement, including, without limitation, those relating to zoning, building, use and occupancy, fire safety, health, sanitation, air pollution, ecological matters, environmental protection, hazardous or toxic materials, substances or wastes, conservation, parking, architectural barriers to the handicapped, or restrictive covenants or other agreements affecting title to the Facility.

(b) No portion of the Facility is located in an area of high potential incidence of radon which has an unventilated basement or subsurface portion which is occupied or used for any purpose other than the foundation or support of the Facility.

(c) The District has not received any notice from any insurance company which has issued a policy with respect to the Facility or from the applicable state or local government agency responsible for insurance standards (or any other body exercising similar functions) requiring the performance of any repairs, alterations or other work, which repairs, alterations or other work have not been completed at the Facility. The District has not received any notice of default or breach which has not been cured under any covenant, condition, restriction, right-of-way, reciprocal easement agreement or other easement affecting the Demised Premises which is to be performed or complied with by it.

SECTION 6. Environmental Compliance.

(a) Neither the District nor the Authority shall use or permit the Facility or any part thereof to be used to generate, manufacture, refine, treat, store, handle, transport or dispose of, transfer, produce or process Hazardous Materials, except, and only to the extent, if necessary to maintain the improvements that are part of the Facility or where Hazardous Materials are involved in classroom or laboratory instruction appropriate for grades 9-12 and then, only in compliance with all Environmental Regulations, and any state equivalent laws and regulations, nor shall it permit, as a result of any intentional or unintentional act or omission on its part or by any tenant, subtenant, licensee, guest, invitee, contractor, employee and agent, the storage, transportation, disposal or use of Hazardous Materials or the pumping, spilling, leaking, disposing of, emptying, discharging or releasing (hereinafter collectively referred to as "Release") or threat of Release of Hazardous Materials on, from or beneath any part of the Facility or onto any other real property excluding, however, those Hazardous Materials in those amounts ordinarily found in the inventory of a high school building, the use, storage, treatment, transportation and disposal of which shall be in compliance with all Environmental Regulations. Upon the occurrence of any Release or threat of Release of Hazardous Materials, the District shall promptly commence and perform, or cause to be commenced and performed promptly, without cost to the Trustee, the Authority, all investigations, studies, sampling and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials so Released, on, from or beneath any part of the Facility, in compliance with all Environmental Regulations. Notwithstanding anything to the contrary contained herein, underground storage tanks shall only be permitted subject to compliance with subsection (d) and only to the extent necessary to maintain the improvements that are part of the Facility.

(b) The District and the Authority shall comply with, and shall cause its tenants, subtenants, licensees, guests, invitees, contractors, employees and agents to comply with, all Environmental Regulations, and shall keep the Facility free and clear of any liens imposed pursuant thereto (provided, however, that any such liens, if not discharged, may be bonded). The District and the Authority shall cause all of District's subtenants, agents, licensees, employees, contractors, guests and invitees and the guests and invitees of all of the foregoing to comply with all Environmental Regulations with respect to the Facility; provided, however, that notwithstanding that a portion of this covenant is limited to the District and the Authority's use of its best efforts, the Authority and the District shall remain solely responsible for ensuring such compliance and such limitation shall not diminish or affect in any way the District and the Authority's obligations contained in subsection (c) hereof. Upon receipt of any notice from any Person with regard to the Release of Hazardous Materials on, from or beneath any part of the Facility, the District and the Authority shall give prompt written notice thereof to the Trustee (and, in any event, prior to the expiration of any period in which to respond to such notice under any Environmental Regulation).

(c) Irrespective of whether any representation or warranty contained in Section 5 is not true or correct, the District and the Authority shall, to the extent permitted by law, defend, indemnify and hold harmless the Trustee and the Bondholders, its partners, depositors and each of its and their employees, agents, officers, directors, trustees, successors and assigns, from and against any claims, demands, penalties, fines, attorneys' fees (including,

without limitation, attorneys' fees incurred to enforce the indemnification contained in this Section 6), consultants' fees, investigation and laboratory fees, liabilities, settlements (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the District and the Authority), court costs, damages, losses, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, occurring in whole or in part, arising out of, or in any way related to, (i) the presence, disposal, Release, threat of Release, removal, discharge, storage or transportation of any Hazardous Materials on, from or beneath any party of the Facility, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached (five (5) Business Days' prior notice of which the Authority or the Trustee, as appropriate, shall have delivered to the District and the Authority), or governmental order relating to Hazardous Materials on, from or beneath any part of the Facility, (iv) any violation of Environmental Regulations or subsection (a) or (b) hereof by it or any of its agents, tenants, employees, contractors, licensees, guests, subtenants or invitees, and (v) the imposition of any governmental lien for the recovery of environmental cleanup or removal costs. To the extent that the Authority or the District is strictly liable under any Environmental Regulation, its obligation to the Trustee, Bondholders and the other indemnitees under the foregoing indemnification shall likewise be without regard to fault on its part with respect to the violation of any Environmental Regulation which results in liability to any indemnitee. Its obligations and liabilities under this Section 6(c) shall survive any termination of the Facility Sublease or exercise of any remedies thereunder, and the satisfaction of all Bonds.

(d) The District and the Authority shall conform to and carry out a reasonable program of maintenance and inspection of any underground storage tanks, and shall maintain, repair, and replace such tanks only in accordance with Laws and Regulations, including but not limited to Environmental Regulations.

SECTION 7. Owner in Fee.

The District covenants that it is the owner in fee of the Demised Premises. The District further covenants and agrees that if for any reason this covenant proves to be incorrect, the District will either institute eminent domain proceedings to condemn the property or institute a quiet title action to clarify the District's title, and will diligently pursue such action to completion. The District further covenants and agrees that it will hold the Authority and the Bond owners harmless from any loss, cost or damages resulting from any breach by the District of the covenants contained in this Section.

SECTION 8. Assignments and Subleases.

Unless the District shall be in default under the Facility Sublease, the Authority may not assign its rights under this Lease or sublet the Facility, except pursuant to the Facility Sublease, without the written consent of the District, which consent may be withheld in the District's sole and absolute discretion. Upon the occurrence of a default by the District under the Facility Sublease, the Authority may assign or sell its rights under this Lease or sublet the Facility, without the consent of the District.

SECTION 9. Right of Entry; Easements.

The District reserves the right for any of its duly authorized representatives to enter upon the Facility at any reasonable time to inspect the same or to make any repairs, improvements or changes necessary for the preservation thereof.

The District agrees, upon written request from the Authority, to grant to the Authority a nonexclusive easement of ingress and egress for persons, vehicles and utilities, twenty (20) feet wide, from each parcel of the Demised Premises not having access to a public street, and appurtenant to such parcel, over property owned by the District to a public street. The District, at any time, may satisfy its obligation contained in the preceding sentence as to any such parcel of the Demised Premises by granting to the Authority an easement complying with the requirements of the preceding sentence from such parcel of the Demised Premises to a public street.

SECTION 10. Termination.

The Authority agrees, upon the termination of this Lease, to quit and surrender the Facility in the same good order and condition as it was at the time of commencement of the term hereunder, reasonable wear and tear excepted, and the Authority further agrees that any permanent improvements and structures existing upon the Demised Premises or otherwise part of the Facility at the time of the termination of this Lease shall remain thereon and title thereto shall vest in the District.

Upon the exercise of the option to purchase set forth in Section 7.03 of the Facility Sublease and upon payment of the option price required by said section, the term of this Lease shall terminate as to the portion of the Facility being so purchased.

SECTION 11. Default.

In the event the Authority shall be in default in the performance of any obligation on its part to be performed under the terms of this Lease, which default continues for one hundred and eighty (180) days following notice and demand for correction thereof to the Authority and the Trustee, the District may exercise any and all remedies granted by law, except that no merger of this Lease and of the Facility Sublease shall be deemed to occur as a result thereof; provided, however, that the District shall have no power to terminate this Lease by reason of any default on the part of the Authority if such termination would affect or impair any assignment or sublease of all or any part of the Facility then in effect between the Authority and any assignee or subtenant of the Authority (other than the District under the Facility Sublease). So long as any such assignee or subtenant of the Authority shall duly perform the terms and conditions of this Lease, such assignee or subtenant shall be deemed to be and shall become the tenant of the District hereunder and shall be entitled to all of the rights and privileges granted under any such assignment; provided, further, that so long as any Bonds are outstanding and unpaid in accordance with the terms thereof, the rentals or any part thereof payable to the Authority or Trustee shall continue to be paid to the Trustee on behalf of the Bond owners.

SECTION 12. Quiet Enjoyment.

The Authority at all times during the term of this Lease, shall peaceably and quietly have, hold and enjoy all of the Demised Premises then leased hereunder.

SECTION 13. Waiver of Personal Liability.

All liabilities under this Lease on the part of the Authority shall be solely liabilities of the Authority, as a public entity and agency, and the District hereby releases each and every member, director, officer, agent or employee of the Authority of and from any personal or individual liability under this Lease. No member, director, officer, agent or employee of the Authority shall at any time or under any circumstances be individually or personally liable under this Lease to the District or to any other party whomsoever for anything done or omitted to be done by the Authority hereunder.

The Authority and its members, directors, officers, agents, employees and assignees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facility and the Project. The District, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents, employees and assignees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Facility or the Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facility or the Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 14. Taxes.

The District covenants and agrees to pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Facility.

SECTION 15. Eminent Domain.

In the event the whole or any part of the Demised Premises or the Facility is taken by eminent domain proceedings, the interest of the Authority shall be recognized and is hereby determined to be the amount of the then unpaid or outstanding Bonds and all other amounts due under the Trust Agreement and the Facility Sublease attributable to such part of the Facility and such amount shall be paid to the Trustee, and the balance of the award, if any, shall be paid to the District.

SECTION 16. Partial Invalidity.

If any one or more of the terms, provisions, covenants or conditions of this Lease shall to any extent be declared invalid, unenforceable, void or voidable for any reason whatsoever by a court of competent jurisdiction, the finding or order or decree of which becomes final, none of the remaining terms, provisions, covenants and conditions of this Lease shall be

affected thereby, and each provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

SECTION 17. Notices.

All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered or certified mail, return receipt requested, postage prepaid, in care of San Dieguito Union High School District, 710 Encinitas Boulevard, Encinitas, California 92024, in all cases with a copy to the Trustee, or to such other addresses as the respective parties may from time to time designate by notice in writing.

SECTION 18. Section Headings.

All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this lease.

SECTION 19. Amendment.

The Authority and the District may at any time agree to the amendment of this Lease; provided, however, that the Authority and the District agree and recognize that this Lease is entered into as contemplated by the terms of the Trust Agreement and, accordingly, that any such amendment shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

SECTION 20. Execution.

This Lease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Lease. It is also agreed that separate counterparts of this Lease may separately be executed by the District and the Authority, all with the same force and effect as though the same counterpart had been executed by both the District and the Authority.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, the District and the Authority have caused this Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT, as Lessor

By _____
Associate Superintendent of Business Services

Attest:

By _____
District Clerk

SAN DIEGUITO PUBLIC FACILITIES
AUTHORITY, as Lessee

By _____
Chairperson

Attest:

By _____
Authority Secretary

EXHIBIT A

Description of Demised Premises

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

[To be inserted.]

EXHIBIT E

Form of Sublease Agreement

Recording requested by
and return to:

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
c/o Manatt, Phelps & Phillips, LLP
11355 West Olympic Boulevard
Los Angeles, California 90064

Attention: Masood Sohaili, Esq.

FACILITY SUBLEASE

by and between

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

and the

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

Dated as of [March 1], 2012

THIS TRANSACTION IS EXEMPT FROM FILING FEES PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTION 6103 AND
TRANSFER TAXES PURSUANT TO CALIFORNIA REVENUE AND TAXATION CODE SECTION 11928

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FACILITY SUBLEASE

This Facility Sublease, dated as of [March 1], 2012, by and between SAN DIEGUITO PUBLIC FACILITIES AUTHORITY (the “Authority”), a joint exercise of powers authority duly organized and existing under and by virtue of the laws of the State of California, as lessor, and the SAN DIEGUITO UNION HIGH SCHOOL DISTRICT, CALIFORNIA (the “District”), a school district duly organized and existing under and by virtue of the laws of the State of California, as lessee;

WITNESSETH:

WHEREAS, the Board of Trustees (the “Board”) of the District has determined that it is necessary and desirable and that the prudent management of the fiscal affairs of the District requires that the District cause the Authority to execute and deliver lease revenue bonds entitled “San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)” (the “Bonds”) pursuant to a Trust Agreement, dated as of [March 1], 2012, by and between U.S. Bank National Association, as Trustee (herein called the “Trustee”) and the Authority (the “Trust Agreement”);

WHEREAS, to facilitate the issuance and repayment of the Bonds, the District is leasing its Torrey Pines High School to the Authority pursuant to and as further described in a Facility Lease dated as of [March 1], 2012, and recorded concurrently herewith (herein called the “Facility Lease”), between the District and the Authority;

WHEREAS, the Authority will apply the proceeds of the sale of the Bonds to pay the lease payment under the Facility Lease;

WHEREAS, the District will apply the lease payment received under the Facility Lease to finance certain public school improvements (the “Project”);

WHEREAS, under this Facility Sublease, the District will be obligated to make base rental payments to the Authority for the sublease, from the Authority, of the Facility (as defined below);

NOW, THEREFORE, in consideration of the mutual covenants herein, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

SECTION 1.01. Definitions.

Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Sublease, have the meanings herein specified, which meanings shall be equally applicable to both the singular and plural forms of any of the terms herein defined.

Capitalized terms not otherwise defined herein shall have the meanings assigned to such terms in the Trust Agreement.

Additional Payments

The term “Additional Payments” means all amounts payable to the Authority or the Trustee or any other person from the District as Additional Payments pursuant to Section 3.02 hereof.

Authority

The term “Authority” means (i) San Dieguito Public Facilities Authority, acting as lessor hereunder; (ii) any surviving, resulting or transferee entity; and (iii) except where the context requires otherwise, any assignee of the Authority.

Base Rental Payments

The term “Base Rental Payments” means all amounts payable to the Authority from the District as Base Rental Payments pursuant to Section 3.01 hereof.

Base Rental Payment Schedule

The term “Base Rental Payment Schedule” means the schedule of Base Rental Payments payable to the Authority by the District pursuant to Section 3.01 hereof and attached hereto as Exhibit B. The Base Rental Payment Schedule shall be modified as provided herein in connection with any pre-payment of the Base Rental Payments.

Bonds

The term “Bonds” means the Bonds designated “San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects)” issued by the Authority under and pursuant to Section 2.01 of the Trust Agreement.

District

The term “District” means the San Dieguito Union High School District, California, a school district duly organized and existing under and by virtue of the laws of the State of California.

Demised Premises

The term “Demised Premises” means that certain real property situated in the San Dieguito Union High School District, State of California, described in Exhibit A attached hereto and made a part hereof, together with any additional real property added thereto or substituted therefor in accordance with this Facility Sublease and the Trust Agreement by any supplement or amendment hereto; subject, however, to any conditions, reservations, and easements of record or known to the District.

Event of Default

The term “Event of Default” shall have the meaning specified in Section 6.01 hereof.

Facility

The term “Facility” shall mean Torrey Pines High School located on and including the Demised Premises (other than and specifically excluding the public school facilities and improvements financed directly or indirectly pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended, being Chapter 2.5 of Part 1, Division 2, Title 5 of the Government Code of the State of California) together with any additional property added or substituted for all or any portion of such property in accordance with this Sublease and the Trust Agreement and less any property released in accordance with this Sublease and the Trust Agreement; subject, however, to any conditions, reservations, and easements of record or known to the District.

Facility Lease

The term “Facility Lease” shall mean the Facility Lease dated as of [March 1], 2012 whereby the District leases the Facility to the Authority, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

Facility Sublease or Sublease

The term “Facility Sublease” or “Sublease” means this sublease, as originally executed and recorded or as it may from time to time be supplemented, modified or amended pursuant to the provisions hereof and of the Trust Agreement.

Project

The term “Project” means the various capital projects of the District, and payment of any costs associated with financing of said projects, as set forth in Exhibit C hereto, including, but not limited to, improvements to Torrey Pines High School and various other capital improvements and equipment within the District, as the same may be determined from time to time by the District.

Rental Payment Period

The term “Rental Payment Period” means the twelve month period commencing [March 2] of each year and ending the following [March 1].

Trust Agreement

The term “Trust Agreement” means the Trust Agreement, dated as of [March 1], 2012, by and between the Trustee and the Authority, and acknowledged by the District, pursuant to which the Trustee will execute and deliver the Bonds, as originally executed or as it may from

time to time be supplemented, modified or amended by a Supplemental Trust Agreement entered into pursuant to the provisions of the Trust Agreement.

ARTICLE II

SUBLEASE OF DEMISED PREMISES AND PROJECT; TERM

SECTION 2.01. Sublease of Facility. The Authority hereby subleases to the District and the District hereby subleases from the Authority the Facility, including the Demised Premises, subject, however, to all easements, encumbrances, and restrictions that exist at the time of the commencement of the term of this Sublease. The District hereby agrees and covenants during the term of this Sublease that, except as hereinafter provided, it will use the Facility for public and District purposes so as to afford the public the benefits contemplated by this Sublease.

SECTION 2.02. Term; Occupancy. The term of this Sublease shall commence on the date of recordation of this Sublease in the office of the County Recorder of the County of San Diego, State of California, or on [Closing Date], 2012 whichever is earlier, and shall end on [March 1], 2020, unless such term is extended or sooner terminated as hereinafter provided. If on such date, the Bonds and all other amounts then due hereunder shall not be fully paid, or if the rental payable hereunder shall have been abated at any time and for any reason, then the term of this Sublease shall be extended until all Bonds corresponding to the Base Rental Payments and all other amounts then due hereunder shall be fully paid, except that the term of this Sublease shall in no event be extended beyond ten (10) years after such initial termination date. If prior to such date, all Bonds and all other amounts then due hereunder shall be fully paid, or provision therefor made, the term of this Sublease shall end ten (10) days thereafter or upon written notice by the District to the Authority, whichever is earlier.

SECTION 2.03. Substitution. The District and the Authority may substitute real property in place of the Facility for purposes of the Facility Sublease, but only after the District shall have filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(a) Executed copies of the Facility Sublease or amendments thereto and the Facility Lease or amendments thereto containing the amended description of the Facility, including the Demised Premises, including the legal description of the Demised Premises as modified if necessary.

(b) A Certificate of the District with copies of the Facility Sublease and the Facility Lease, if needed, or amendments thereto containing the amended description of the Facility stating that such documents have been duly recorded in the official records of the County Recorder of the County of San Diego.

(c) A Certificate of the District, together with an appraisal performed by an independent appraiser, evidencing that the annual fair rental value of the Facility which will constitute the Facility after such substitution will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending [March 1] or in any subsequent year ending [March 1].

(d) A Certificate of the District stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the District, the District has good merchantable title to the Facility which will constitute the Facility after such substitution. The term "Good Merchantable Title" shall mean such title as is satisfactory and sufficient for the needs and operations of the District.

(e) A Certificate of the District stating that such substitution does not adversely affect the District's use and occupancy of the Facility.

(f) An Opinion of Counsel (as such term is defined in the Trust Agreement) stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and the Trust Agreement; (ii) complies with the terms of the Constitution and laws of the State and of the Trust Agreement; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the District; and (iv) will not cause interest payable in respect of the Bonds, if any, to be included in gross income for California state or federal income tax purposes.

ARTICLE III

RENTAL PAYMENTS; USE OF PROCEEDS

SECTION 3.01. Base Rental Payments. The District agrees to pay the Authority, as Base Rental Payments for the use and occupancy of the Facility, including the Demised Premises (subject to the provisions of Sections 3.04, 3.06 and 7.01 of this Sublease) the rental payments in the amounts shown on the Base Rental Payment Schedule attached hereto as Exhibit B. Notwithstanding the obligation to pay the Authority, the Authority directs the District to remit the Base Rental Payments directly to the Trustee. The first Base Rental Payment shall be payable on August 15, 2012, and subsequent Base Rental Payments shall be due on each and February 15 and August 15 thereafter continuing until the date of termination of this Sublease. The Base Rental Payment due on August 15, 2012 shall be for the use of the Facility for the year ending on [March 1], 2013. The semi-annual Base Rental Payments thereafter shall be for the use of the Facility for each subsequent year ending on [March 1].

If the term of this Sublease shall have been extended pursuant to Section 2.02 hereof, Base Rental Payments shall continue to be due on February 15 and August 15 in each year, and payable prior thereto as hereinabove described, continuing to and including the date of termination of this Sublease. Upon such extension of this Sublease, the District shall deliver to the Trustee a Certificate setting forth the extended rental payment schedule so that the payments will in the aggregate be sufficient to pay in full the interest on, if any, and the principal of, the Bonds and to pay any Additional Payments due or to become due.

Notwithstanding the District's obligation to make Base Rental Payments as shown on Exhibit B, (a) the District's obligation to make Base Rental Payments on any date shall be reduced by amounts being held by the Trustee in the Revenue Fund under the Trust Agreement on such date and (b) if amounts in the Reserve Fund held under the Trust Agreement are sufficient to pay all remaining Base Rental Payments under this Facility Sublease, no further Base Rental Payments need be paid by the District.

SECTION 3.02. Additional Payments. The District shall also pay such amounts (herein called the “Additional Payments”) as shall be required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of this Sublease and the Trust Agreement, in connection with its interest in the Facility and the sublease of the Facility to the District, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Facility including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement; but not including in Additional Payments amounts required to pay the principal of or interest, if any, on the Bonds.

Such Additional Payments shall be billed to the District by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed shall be paid by the District to the billing party within 30 days after receipt of the bill by the District. The District reserves the right to audit billings for Additional Payments although exercise of such right shall in no way affect the duty of the District to make full and timely payment of all Additional Payments.

The Authority may in the future issue bonds and may in the future enter into leases to finance facilities other than the Project. The administrative costs of the Authority shall be allocated among said facilities and the Facility, as hereinafter in this paragraph provided. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facility shall be included in the Additional Payments payable hereunder. The fees of any trustee or paying agent under any Agreement securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Facility, shall not be included in Additional Payments payable hereunder. Any expenses of the Authority not directly attributable to any particular project of the Authority shall be equitably allocated among all such projects, including the Project, in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, shall be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of an Authorized Officer of the District, or a duly authorized representative of the District, endorsed thereon, in making any determination that costs are payable as Additional Payments hereunder, and shall not be required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Facility.

SECTION 3.03. Fair Rental Value. The Base Rental Payments and Additional Payments for each rental period during the term of this Sublease shall constitute the

total rental for said rental period and shall be paid by the District in each rental payment period for and in consideration of the right of use and occupancy of, and continued quiet use and enjoyment of, the Facility, including the Demised Premises, during each such period for which said rental is to be paid. The parties hereto have agreed and determined that such total rental payable for each twelve-month period beginning [March 2] represents the fair rental value of the Facility, including the Demised Premises for each such period. In making such determination, consideration has been given to the costs of acquisition, design, construction and financing of the Facility, other obligations of the parties under this Sublease, the uses and purposes which may be served by the Facility and the benefits therefrom which will accrue to the District and the general public.

SECTION 3.04. Payment Provisions. Each installment of rental payable hereunder shall be paid in lawful money of the United States of America to or upon the order of the Authority at the corporate trust office of the Trustee, or such other place as the Authority shall designate. Any such installment of rental accruing hereunder which shall not be paid when due and payable under the terms of this Sublease shall bear interest at the rate of twelve percent (12%) per annum, or such lesser rate of interest as may be permitted by law, from the date when the same is due hereunder until the same shall be paid. Notwithstanding any dispute between the Authority and the District, the District shall make all rental payments when due without deduction or offset of any kind and shall not withhold any rental payments pending the final resolution of such dispute. In the event of a determination that the District was not liable for said rental payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent rental payments due hereunder, or shall be refunded at the time of such determination.

All payments received shall be applied first to the Base Rental Payments due hereunder and thereafter to all Additional Payments due hereunder, but no such application of any payments which are less than the total rental due and owing shall be deemed a waiver of any default hereunder.

Rental is subject to abatement as provided in Section 3.06.

Nothing contained in this Sublease shall prevent the District from making from time to time contributions or advances to the Authority for any purpose now or hereafter authorized by law, including the making of repairs to, or the restoration of, the Facility in the event of damage to or the destruction of the Facility.

SECTION 3.05. Appropriations Covenant. The District covenants to take such action as may be necessary to include all Base Rental Payments and Additional Payments due hereunder in its annual budgets, to make necessary annual appropriations for all Base Rental Payments and Additional Payments as shall be required to provide funds in each year for Base Rental Payments and Additional Payments. The District will deliver to the Authority and the Trustee within sixty (60) days of adoption of the District budget a Certificate of the District stating that the budget as adopted appropriates all moneys necessary for the payment of Base Rental Payments and Additional Payments hereunder. The covenants on the part of the District herein contained shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the District to take such action and do such

things as are required by law in the performance of the official duty of such officials to enable the District to carry out and perform the covenants and agreements in this Sublease agreed to be carried out and performed by the District.

The Authority and the District understand and intend that the obligation of the District to pay Base Rental Payments and Additional Payments hereunder shall constitute a current expense of the District and shall not in any way be construed to be a debt of the District in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by the District, nor shall anything contained herein constitute a pledge of the general tax revenues, funds or moneys of the District. Base Rental Payments and Additional Payments due hereunder shall be payable only from current funds which are budgeted and appropriated or otherwise legally available for the purpose of paying Base Rental Payments and Additional Payments or other payments due hereunder as consideration for use of the Facility. This Sublease shall not create an immediate indebtedness for any aggregate payments which may become due hereunder in the event that the term of the Sublease is continued. The District has not pledged the full faith and credit of the District, the State of California or any agency or department thereof to the payment of the Base Rental Payments and Additional Payments or any other payments due hereunder.

SECTION 3.06. Rental Abatement. The Base Rental Payments and Additional Payments shall be abated proportionately during any period in which by reason of any damage or destruction (other than by condemnation which is hereinafter provided for) there is substantial interference with the use and occupancy of the Facility by the District, in the proportion in which the initial cost of that portion of the Facility rendered unusable bears to the initial cost of the whole of the Facility, including the Demised Premises. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, this Sublease shall continue in full force and effect and the District waives any right to terminate this Sublease by virtue of any such damage or destruction.

SECTION 3.07. Use of Proceeds. The parties hereto agree that the proceeds of the Bonds will be used to finance the Project and to pay the costs of issuing the Bonds and incidental and related expenses.

ARTICLE IV

MAINTENANCE; ALTERATIONS AND ADDITIONS

SECTION 4.01. Maintenance and Utilities. During such time as the District is in possession of the Facility, all maintenance and repair, both ordinary and extraordinary, of the Facility shall be the responsibility of the District, which shall at all times maintain or otherwise arrange for the maintenance of the Facility in first class condition, and the District shall pay for or otherwise arrange for the payment of all utility services supplied to the Facility, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Facility resulting from ordinary wear and tear or want of care on the part of the District or any assignee or

sublessee thereof or from any other cause and shall pay for or otherwise arrange for the payment of all insurance policies required to be maintained with respect to the Facility. In exchange for the rental herein provided, the Authority agrees to provide only the Facility, including the Demised Premises.

SECTION 4.02. Changes to the Facility. Subject to Section 8.02 hereof, the District shall, at its own expense, have the right to remodel the Facility or to make additions, modifications and improvements to the Facility, including the Demised Premises. All such additions, modifications and improvements shall thereafter comprise part of the Facility and be subject to the provisions of this Sublease. Such additions, modifications and improvements shall not in any way damage the Facility or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Facility, upon completion of any additions, modifications and improvements made pursuant to this Section, shall be of a value which is at least equal to the value of the Facility immediately prior to the making of such additions, modifications and improvements.

SECTION 4.03. Installation of District's Equipment. The District and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed other items of equipment or other personal property in or upon the Facility, including the Demised Premises. All such items shall remain the sole property of such party, in which neither the Authority nor the Trustee shall have any interest, and such items may be modified or removed by such party at any time provided that such party shall repair and restore any and all damage to the Facility resulting from the installation, modification or removal of any such items. Nothing in this Sublease shall prevent the District from purchasing items to be installed pursuant to this Section under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Facility.

ARTICLE V

INSURANCE

SECTION 5.01. Fire and Extended Coverage Insurance. The District shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Sublease, insurance against loss or damage to any structures constituting any part of the Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance and earthquake insurance (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the District). Said extended coverage insurance shall, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance shall be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facility, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or, in the alternative, shall be

in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable all outstanding Bonds to be redeemed.

In the event of any damage to or destruction of any part of the Facility, caused by the perils covered by such insurance, the Authority, except as hereinafter provided, shall cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facility, and the Trustee shall hold said proceeds separate and apart from all other funds, in a special fund to be designated the "Insurance and Condemnation Fund," to the end that such proceeds shall be applied to the repair, reconstruction or replacement of the Facility to at least the same good order, repair and condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee shall permit withdrawals of said proceeds from time to time upon receiving the Written Request of the Authority, stating that the Authority has expended moneys or incurred liabilities in an amount equal to the amount therein requested to be paid over to it for the purpose of repair, reconstruction or replacement, and specifying the items for which such moneys were expended, or such liabilities were incurred. Any balance of said proceeds not required for such repair, reconstruction or replacement shall be treated by the Trustee as Base Rental Payments and applied in the manner provided by Section 5.02 of the Trust Agreement. Alternatively, the Authority, at its option, with the written consent of the District, and if the proceeds of such insurance together with any other moneys then available for the purpose are at least sufficient to redeem an aggregate principal amount of outstanding Bonds, equal to the amount of Bonds attributable to the portion of the Facility so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the Facility bears to the total cost of the Facility), may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facility and thereupon shall cause said proceeds to be used for the redemption of outstanding Bonds pursuant to the provisions of the Trust Agreement. In that event the Base Rental shall be abated in the same proportion, except that the Base Rental shall not be less than the amount necessary to enable the Authority to make all necessary and appropriate payments on and related to the Bonds remaining Outstanding, including but not limited to annual deposits into the Principal Account and its administrative costs.

The Authority and the District shall promptly apply for Federal disaster aid or State of California disaster aid in the event that the Facility is damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid shall be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Facility, or, at the option of the District and the Authority, to redeem outstanding Bonds in accordance with the terms of the Trust Agreement if such use of such disaster aid is permitted.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the District may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the District. So long as such method or plan is being provided to satisfy the requirements of this Sublease, there shall be filed annually with the Trustee a statement of an actuary, insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the

requirements of this Section and, when effective, would afford reasonable coverage for the risks required to be insured against. There shall also be filed a Certificate of the District setting forth the details of such substitute method or plan. In the event of loss covered by any such self insurance method, the liability of the District hereunder shall be limited to the amounts in the self insurance reserve fund or funds created under such method.

SECTION 5.02. Liability Insurance. Except as hereinafter provided, the District shall procure or cause to be procured and maintain or cause to be maintained, throughout the term of this Sublease, a standard comprehensive general liability insurance policy or policies in protection of the Authority and its members, directors, officers, agents and employees and the Trustee, indemnifying said parties against all direct or contingent loss or liability for damages for personal injury, death or property damage occasioned by reason of the operation of the Facility and of the Project, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of \$3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance carried by the District.

As an alternative to providing the insurance required by the first paragraph of this Section, or any portion thereof, the District may provide a self insurance method or plan of protection if and to the extent such self insurance method or plan of protection shall afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State of California other than the District. So long as such method or plan is being provided to satisfy the requirements of this Sublease, there shall be filed annually with the Trustee a statement of an actuary, independent insurance consultant or other qualified person, stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of this Section and, when effective, would afford reasonable protection to the Authority, its members, directors, officers, agents and employees and the Trustee against loss and damage from the hazards and risks covered thereby. There shall also be filed a Certificate of the District setting forth the details of such substitute method or plan.

SECTION 5.03. Rental Interruption or Use and Occupancy Insurance. The District shall procure or cause to be procured and maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facility as the result of any of the hazards covered by the insurance required by Section 5.01 hereof (provided with respect to earthquake insurance, only if available on the open market from reputable insurance companies at a reasonable cost, as determined by the District), in an amount sufficient to pay the part of the total rent hereunder attributable to the portion of the Facility rendered unusable (determined by reference to the proportion which the cost of such portion bears to the cost of the Facility) for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed two hundred fifty thousand dollars (\$250,000) or a comparable amount adjusted for inflation (or more in the case of earthquake coverage). Any proceeds of such insurance shall be used by the Trustee to reimburse

to the District any rental theretofore paid by the District under this Sublease attributable to such structure for a period of time during which the payment of rental under this Sublease is abated, and any proceeds of such insurance not so used shall be applied as provided in Section 3.01 (to the extent required for Base Rental Payments) and in Section 3.02 (to the extent required for the payment of Additional Payments) and any remainder shall be treated as Revenue under the Trust Agreement.

SECTION 5.04. Worker's Compensation. The District shall also maintain worker's compensation insurance issued by a responsible carrier authorized under the laws of the State of California to insure its employees against liability for compensation under the Worker's Compensation Insurance and Safety Act now in force in California, or any act hereafter enacted as an amendment or supplement thereto. As an alternative, such insurance may be maintained as part of or in conjunction with any other insurance carried by the District. Such insurance may be maintained by the District in the form of self-insurance.

SECTION 5.05. Title Insurance. The District shall obtain, for the benefit of the Authority, upon the execution and delivery of this Sublease, title insurance on the Demised Premises, in an amount equal to the aggregate principal amount of the Bonds, issued by a company of recognized standing duly authorized to issue the same, subject only to (1) liens for taxes and assessments not yet delinquent; (2) effect of existing leases and subleases; (3) effect of this Sublease and the Lease, including any amendments thereto; (4) effect of zoning laws, ordinances and regulations, including but not limited to, applicable environmental regulations; (5) effect of all deeds and deed limitations described in the title policy; (6) easements, encumbrances, rights of way, mineral rights, drilling rights, and other rights, reservations, covenants, conditions or restrictions that exist of record as of the date of recordation of this Sublease; (7) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law; (8) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that will not materially impair the use of the Demised Premises; and (9) all matters which would be revealed by an accurate survey of the Demised Premises.

SECTION 5.06. Insurance Proceeds; Form of Policies. All policies of insurance required by Sections 5.01 and 5.03 hereof shall name the District, the Authority and the Trustee as insured and shall contain a lender's loss payable endorsement in favor of the Trustee substantially in accordance with the form approved by the Insurance Services Office and the California Bankers Association. The Trustee shall, to the extent practicable, collect, adjust and receive all moneys which may become due and payable under any such policies, may compromise any and all claims thereunder and shall apply the proceeds of such insurance as provided in Sections 5.01 and 5.03. All policies of insurance required by this Sublease shall provide that the Trustee shall be given thirty (30) days notice of each expiration thereof or any intended cancellation thereof or reduction of the coverage provided thereby. The Trustee shall not be responsible for the sufficiency of any insurance herein required and shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the District. The District shall pay when due the premiums for all insurance policies required by this Sublease, and shall promptly furnish evidence of such payments to the Authority.

The District will deliver to the Authority and the Trustee on or before July 15 in each year a written Certificate of an officer of the District stating whether such policies satisfy the requirements of this Sublease, setting forth the insurance policies then in force pursuant to this Article, the names of the insurers which have issued the policies, the amounts thereof and the property and risks covered thereby, and, if any self-insurance program is being provided, the annual report of an actuary, independent insurance consultant or other qualified person containing the information required for such self-insurance program and described in Sections 5.01, 5.02 and 5.04. Delivery to the Trustee of the certificate under the provisions of this Section shall not confer responsibility upon the Trustee as to the sufficiency of coverage or amounts of such policies. If so requested in writing by the Trustee, the District shall also deliver to the Trustee certificates or duplicate originals or certified copies of each insurance policy described in such schedule.

Any policies of insurance provided by a commercial insurer to satisfy the requirements of Sections 5.01, 5.02 or 5.03 hereof shall be provided by a commercial insurer rated A or better by Best or in one of the two highest rating categories by Standard & Poor's.

ARTICLE VI

DEFAULTS AND REMEDIES

SECTION 6.01. Defaults and Remedies. (a) If the District shall fail to pay any rental payable hereunder when the same becomes due, time being expressly declared to be of the essence of this Sublease, or the District shall fail to keep, observe or perform any other term, covenant or condition contained herein to be kept or performed by the District for a period of sixty (60) days after notice of the same has been given to the District by the Authority or the Trustee or for such additional time as is reasonably required, in the sole discretion of the Authority, to correct the same, or upon the happening of any of the events specified in subsection (b) of this Section (any such case above being an "Event of Default"), the District shall be deemed to be in default hereunder and it shall be lawful for the Authority to exercise any and all remedies available pursuant to law or granted pursuant to this Sublease. Upon any such default, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(1) To terminate this Sublease in the manner hereinafter provided on account of default by the District, notwithstanding any re-entry or re-letting of the Facility as hereinafter provided for in subparagraph (2) hereof, and to re-enter the Facility and remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and place such personal property in storage in any warehouse or other suitable place located within San Diego County, California. In the event of such termination, the District agrees to surrender immediately possession of the Facility, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of default by the District, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Facility and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. Neither notice to pay rent or to deliver up possession of the Facility given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or

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otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Facility nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under this Sublease shall of itself operate to terminate this Sublease, and no termination of this Sublease on account of default by the District shall be or become effective by operation of law or acts of the parties hereto, or otherwise, unless and until the Authority shall have given written notice to the District of the election on the part of the Authority to terminate this Sublease. The District covenants and agrees that no surrender of the Facility or of the remainder of the term hereof or any termination of this Sublease shall be valid in any manner or for any purpose whatsoever unless stated or accepted by the Authority by such written notice.

(2) Without terminating this Sublease, (i) collect each installment of rent as it becomes due and enforce any other terms or provision hereof to be kept or performed by the District, regardless of whether or not the District has abandoned the Facility, or (ii) exercise any and all rights of entry and re-entry upon the Facility. In the event the Authority does not elect to terminate this Sublease in the manner provided for in subparagraph (1) hereof, the District shall remain liable and agrees to keep or perform all covenants and conditions herein contained to be kept or performed by the District and, if the Facility is not re-let, to pay the full amount of the rent to the end of the term of this Sublease or, in the event that the Facility is re-let, to pay any deficiency in rent that results therefrom; and further agrees to pay said rent and/or rent deficiency punctually at the same time and in the same manner as hereinabove provided for the payment of rent hereunder (without acceleration), notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years rental in excess of the rental herein specified, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such entry or re-entry or obtaining possession of the Facility. Should the Authority elect to enter or re-enter as herein provided, the District hereby irrevocably appoints the Authority as the agent and attorney-in-fact of the District to re-let the Facility, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable, and to remove all persons in possession thereof and all personal property whatsoever situated upon the Facility and to place such personal property in storage in any warehouse or other suitable place located in the County of San Diego, California, for (to the extent permitted by law) the account of and at the expense of the District, and the District (to the extent permitted by law) hereby exempts and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Facility and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions herein contained. The District agrees that the terms of this Sublease constitute full and sufficient notice of the right of the Authority to re-let the Facility and to do all other acts to maintain or preserve the Facility as the Authority deems necessary or desirable in the event of such re-entry without effecting a surrender of this Sublease, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of this Sublease irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, in the event of such default by the District the right to terminate this Sublease shall vest in the Authority to be effected in the sole and exclusive manner provided for in sub-paragraph (1) hereof. The District further waives the right to any rental obtained by the Authority in excess of the rental herein specified and hereby conveys and

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releases such excess to the Authority as compensation to the Authority for its services in re-letting the Facility or any part thereof. The District further agrees to the extent permitted by law to pay the Authority the reasonable cost of any alterations or additions to the Facility necessary to place the Facility in condition for re-letting immediately upon notice to the District of the completion and installation of such additions or alterations.

The District hereby waives any and all claims for damages caused or which may be caused by the Authority in re-entering and taking possession of the Facility as herein provided and all claims for damages that may result from the destruction of or injury to the Facility and all claims for damages to or loss of any property belonging to the District, or any other person, that may be in or upon the Facility.

(b) If (1) the District's interest in this Sublease or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, without the written consent of the Authority, as hereinafter provided for, or (2) the District or any assignee shall file any petition or institute any proceeding under any act or acts, state or federal, dealing with or relating to the subject or subjects of bankruptcy or insolvency, or under any amendment of such act or acts, either as a bankrupt or as an insolvent, or as a debtor, or in any similar capacity, wherein or whereby the District asks or seeks or prays to be adjudicated a bankrupt, or is to be discharged from any or all of the District's debts or obligations, or offers to the District's creditors to effect a composition or extension of time to pay the District's debts or asks, seeks or prays for reorganization or to effect a plan of reorganization, or for a readjustment of the District's debts, or for any other similar relief, or if any such petition or any such proceedings of the same or similar kind or character be filed or be instituted or taken against the District, or if a receiver of the business or of the property or assets of the District shall be appointed by any court, except a receiver appointed at the instance or request of the Authority, or if the District shall make a general or any assignment for the benefit of the District's creditors, or if (3) the District shall abandon or vacate the Facility, then the District shall be deemed to be in default hereunder.

(c) The Authority shall in no event be in default in the performance of any of its obligations hereunder or imposed by any statute or rule of law unless and until the Authority shall have failed to perform such obligations within sixty (60) days or such additional time as is reasonably required to correct any such default after notice by the District to the Authority properly specifying wherein the Authority has failed to perform any such obligation. In the event of default by the Authority, the District shall be entitled to pursue any remedy provided by law.

(d) In addition to the other remedies set forth in this Section, upon the occurrence of an Event of Default as described in this Section, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by this Sublease or by law. The provisions of this Sublease and the duties of the District and of its trustees, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority shall have the right to bring the following actions:

(1) Accounting. By action or suit in equity to require the District and its board members, officers and employees and its assigns to account as the trustee of an express trust.

(2) Injunction. By action or suit in equity to enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

(3) Mandamus. By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the District (and its board members, officers and employees) and to compel the District to perform and carry out its duties and obligations under the law and its covenants and agreements with the District as provided herein.

The exercise of any rights or remedies under this Sublease shall not permit acceleration of Base Rental Payments.

Each and all of the remedies given to the Authority hereunder or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege hereunder shall not impair the right of the Authority to other or further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in this Section shall include, but not be limited to, re-letting by means of the operation by the Authority of the Facility. If any statute or rule of law validly shall limit the remedies given to the Authority hereunder, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of this Sublease, the District agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority hereunder, whether or not the action culminates in a judgment.

SECTION 6.02. Waiver. Failure of the Authority to take advantage of any default on the part of the District shall not be, or be construed as, a waiver thereof, nor shall any custom or practice which may grow up between the parties in the course of administering this instrument be construed to waive or to lessen the right of the Authority to insist upon performance by the District of any term, covenant or condition hereof, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of a similar or any subsequent default. The acceptance of rent hereunder shall not be, or be construed to be, a waiver of any term, covenant or condition of this Sublease.

ARTICLE VII

EMINENT DOMAIN; PREPAYMENT

SECTION 7.01. Eminent Domain. If the whole of the Facility, including the Demised Premises or so much thereof as to render the remainder unusable for the purposes for which it was used by the District shall be taken under the power of eminent domain, the term of this Sublease shall cease as of the day that possession shall be so taken. If less than the whole

of the Facility shall be taken under the power of eminent domain and the remainder is usable for the purposes for which it was used by the District at the time of such taking, then this Sublease shall continue in full force and effect as to such remainder, and the parties waive the benefits of any law to the contrary, and in such event there shall be a partial abatement of the rental due hereunder in an amount equal to the amount of Base Rental Payments attributable to the portion of the Facility taken (determined by reference to the proportion that the award in eminent domain bears to the total cost of the Facility), except that the Base Rental Payments shall not be less than the amount necessary to enable the Authority to make all necessary and appropriate payments on and related to the Bonds remaining Outstanding, including but not limited to annual deposits into the Principal Account and its administrative costs. So long as any of the Bonds shall be Outstanding, any award made in eminent domain proceedings for taking the Facility, including the Demised Premises or any portion thereof shall be paid to the Trustee and applied to the prepayment of the Base Rental Payments as provided in Section 7.02. Any such award made after all of the Base Rental Payments and Additional Payments have been fully paid, or provision therefor made, shall be paid to the to the District.

SECTION 7.02. Prepayment. (a) The District shall prepay on any date from insurance (including proceeds of title insurance) and eminent domain proceeds not applied for the replacement, repair or restoration of the damaged, destroyed, taken or affected portion of the Facility, to the extent provided in Sections 5.01 and 7.01 hereof, so much as it can of Base Rental Payments then unpaid, being an amount equal to the redemption payment of the maximum amount of Bonds redeemable from such proceeds, including the principal thereof and the interest thereon, if any, to the date of redemption, plus any applicable premium.

(b) Before making any prepayment pursuant to this article, the District shall, within five (5) days following the event creating such right or obligation to prepay, give written notice to the Authority and the Trustee describing such event and specifying the date on which the prepayment will be made, which date shall be not less than forty-five (45) days from the date such notice is given.

SECTION 7.03. Option to Purchase; Sale of Personal Property.

The District shall have the option to purchase the Authority's interest in any part of the Facilities upon payment of an option price consisting of moneys or securities satisfying the requirements of Section 11.01(b) of the Trust Agreement in an amount sufficient (together with the earnings and interest on such securities) to provide funds to pay the aggregate amount for the entire remaining term of this Sublease or the part of the total Base Rental Payments hereunder attributable to such part of the Facilities (determined by reference to the proportion that the acquisition cost of such part of the Facilities bears to the acquisition cost of all of the Facilities). Any such payment shall be made to the Authority on a Business Day and shall be treated as a prepayment of Base Rental Payments. Prior to exercising any such option, the District must first obtain an Opinion of Counsel to the effect that such purchase will not cause interest payable in respect of the Bonds, if any, to be included in gross income for California state or federal income tax purposes. Upon the making of such payment to the Authority, (a) the Base Rental Payments thereafter payable under this Sublease shall be reduced by the amount thereof attributable to such part of the Facilities and theretofore paid pursuant to this Section, (b) Section 3.06 and this Section of this Sublease shall not thereafter be applicable to such part of the Facilities, (c) the

insurance required by this Sublease need not be maintained as to such part of the Facilities, and (d) title to such part of the Facilities shall vest in the District and the term of this Sublease shall end as to such part of the Facilities.

In addition, the District, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facility, and to release said personal property from this Sublease, if (a) in the opinion of the District the property so sold or exchanged is no longer required or useful in connection with the operation of the Facility, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facility. In the event of any such sale, the full amount of the money or consideration received for the personal property so sold and released shall be paid to the Authority. Any money so paid to the Authority may, so long as the District is not in default under any of the provisions of this Sublease, be used upon the Written Request of the District to purchase personal property, which property shall become a part of the Facility subleased hereunder. The Authority may require such opinions, certificates and other documents as it may deem necessary before permitting any sale or exchange of personal property subject to this Sublease or before releasing for the purchase of new personal property money received by it for personal property so sold.

ARTICLE VIII

COVENANTS

SECTION 8.01. Right of Entry. The Authority and its assignees shall have the right to enter upon and to examine and inspect the Facility, including the Demised Premises during reasonable business hours (and in emergencies at all times) (a) to inspect the same, (b) for any purpose connected with the Authority's or the District's rights or obligations under this Sublease, and (c) for all other lawful purposes.

SECTION 8.02. Liens. In the event the District shall at any time during the term of this Sublease cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Facility, the District shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the District in, upon or about the Facility and shall keep the Facility free of any and all mechanics' or materialmen's liens or other liens against the Facility or the Authority's interest therein. In the event any such lien attaches to or is filed against the Facility or the Authority's interest therein, the District shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that if the District desires to contest any such lien it may do so in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the District shall forthwith pay and discharge said judgment. The District agrees to and shall, to the

maximum extent permitted by law, indemnify and hold the Authority and the Trustee and their respective members, directors, agents, successors and assigns, harmless from and against, and defend each of them against, any claim, demand, loss, damage, liability or expense (including attorney's fees) as a result of any such lien or claim of lien against the Facility or the Authority's interest therein.

SECTION 8.03. Quiet Enjoyment. The parties hereto mutually covenant that the District, by keeping and performing the covenants and agreements herein contained and not in default hereunder, shall at all times during the term of this Sublease peaceably and quietly have, hold and enjoy the Facility, including the Demised Premises without suit, trouble or hindrance from the Authority.

SECTION 8.04. Authority Not Liable. The Authority and its members, directors, officers, agents and employees shall not be liable to the District or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Facility or the Project. The District, to the extent permitted by law, shall indemnify and hold the Authority and its members, directors, officers, agents and employees, harmless from, and defend each of them against, any and all claims, liens and judgments arising from the construction or operation of the Facility or the Project, including, without limitation, death of or injury to any person or damage to property whatsoever occurring in, on or about the Facility or the Project regardless of responsibility for negligence, but excepting the active negligence of the person or entity seeking indemnity.

SECTION 8.05. Assignment and Subleasing. Neither this Sublease nor any interest of the District hereunder shall be mortgaged, pledged, assigned, sublet or transferred by the District by voluntary act or by operation of law or otherwise, except with the prior written consent of the Authority, which, in the case of subletting, shall not be unreasonably withheld; provided such subletting shall not affect the tax-exempt status of the interest, if any, on the Bonds for federal income tax purposes and California state law purposes. No such mortgage, pledge, assignment, sublease or transfer shall in any event affect or reduce the obligation of the District to make the Base Rental Payments and Additional Payments required hereunder.

SECTION 8.06. Title to Facility. During the term of this Sublease, the Authority shall hold a leasehold estate to the Facility and any and all additions which comprise fixtures, repairs, replacement or modifications thereof, except for those fixtures, repairs, replacements or modifications which are added thereto by the District and which may be removed without damaging the Facility, and except for any items added to the Facility by the District pursuant to Section 4.03 hereof. This provision shall not operate to the benefit of any insurance company if there is a rental interruption covered by insurance pursuant to Section 5.03 hereof.

Upon the termination or expiration of this Sublease, the Authority shall execute such conveyances, deeds and other documents as may be necessary to evidence the ownership of the Facility, including the Demised Premises, by the District and to clarify the title of the District on the record thereof.

SECTION 8.07. Tax Covenants of the District.

(a) The District shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would result in a loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code.

(b) Notwithstanding any provisions of this Section, if the District or Authority shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required in order to prevent the loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent

SECTION 8.08. Tax Covenants of the Authority.

(a) The Authority shall not take any action or inaction, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstances within its control to arise or continue, if such action or inaction would result in a loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code.

(b) Notwithstanding any provisions of this Section, if the Authority or the District shall provide to the Trustee an opinion of Bond Counsel that any specified action required under this Section is no longer required or that some further or different action is required in order to prevent the loss of exclusion of the interest on the Bonds from gross income for Federal income tax purposes under Section 103(a) of the Code, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

SECTION 8.09. Continuing Disclosure. The District hereby covenants and agrees that it will comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Sublease, failure of the District to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default hereunder; however, the Trustee may (and, at the request of any Participating Underwriter (as defined in the Continuing Disclosure Agreement) or the Holders of at least 25% aggregate principal amount of Bonds Outstanding and provided satisfactory indemnification is provided to the Trustee, shall) or any Bondholder may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to compel the District to comply with its obligations under this Section 8.09.

SECTION 8.10. Taxes. The District shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Facility or the respective interests or estates therein; provided that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the District shall be obligated to pay only such installments as are required to be paid during the term of this Sublease as and when the same become due.

The District shall also pay directly such amounts, if any, in each year as shall be required by the Authority for the payment of all license and registration fees and all taxes (including, without limitation, income, excise, license, franchise, capital stock, recording, sales, use, value-added, property, occupational, excess profits and stamp taxes), levies, imposts, duties, charges, withholdings, assessments and governmental charges of any nature whatsoever, together with any additions to tax, penalties, fines or interest thereon, including, without limitation, penalties, fines or interest arising out of any delay or failure by the District to pay any of the foregoing or failure to file or furnish to the Authority or the Trustee for filing in a timely manner any returns, hereinafter levied or imposed against the Authority or the Facility, the rentals and other payments required hereunder or any parts thereof or interests of the District or the Authority or the Trustee therein by any governmental authority.

The District may, at the District's expense and in its name, in good faith contest any such taxes, assessments and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority or the Trustee shall notify the District that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Facility will be materially endangered or the Facility, or any part thereof, will be subject to loss or forfeiture, in which event the District shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss which may result from nonpayment, in form satisfactory to the Authority and the Trustee.

SECTION 8.11. Authority's Purpose. The Authority covenants that, prior to the discharge of this Sublease, it will not engage in any activities inconsistent with the purposes for which the Authority is organized.

SECTION 8.12. Purpose of Sublease. The District covenants that during the term of this Sublease, except as hereinafter provided, (a) it will use, or cause the use of, the Facility for public purposes and for the purposes for which the Facility is customarily used, (b) it will not vacate or abandon the Facility or any part thereof, and (c) it will not make any use of the Facility which would jeopardize in any way the insurance coverage required to be maintained pursuant to Article V hereof.

ARTICLE IX

DISCLAIMER OF WARRANTIES; VENDOR'S WARRANTIES; USE OF THE FACILITY

SECTION 9.01. Disclaimer of Warranties. THE AUTHORITY MAKES NO AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR FITNESS FOR USE OF THE FACILITY OR THE PROJECT, OR WARRANTY WITH RESPECT THERETO. THE DISTRICT ACKNOWLEDGES THAT THE AUTHORITY IS NOT A MANUFACTURER OF THE FACILITY OR THE PROJECT OR A DEALER THEREIN, THAT THE DISTRICT LEASES THE FACILITY AS-IS, IT BEING AGREED THAT ALL OF THE AFOREMENTIONED RISKS ARE TO BE BORNE BY THE DISTRICT. In no event shall the Authority be liable for

any incidental, indirect, special or consequential damage in connection with or arising out of this Sublease or the existence, furnishing, functioning or the District's use of any item or products or services provided for in this Sublease.

SECTION 9.02. Vendor's Warranties. The Authority hereby irrevocably appoints the District its agent and attorney-in-fact during the term of this Sublease, so long as the District shall not be in default hereunder, to assert from time to time whatever claims and rights, including warranties of the Facility or the Project, which the Authority may have against the manufacturers, vendors and contractors of the Facility or the Project. The District's sole remedy for the breach of such warranty, indemnification or representation shall be against the manufacturer or vendor or contractor of the Facility or of the Project, and not against the Authority, nor shall such matter have any effect whatsoever on the rights and obligations of the Authority with respect to this Sublease, including the right to receive full and timely payments hereunder. The District expressly acknowledges that the Authority makes, and has made, no representation or warranties whatsoever as to the existence or availability of such warranties of the manufacturer, vendor or contractor.

SECTION 9.03. Use of the Facility. The District will not install, use, operate or maintain the Facility improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by this Sublease. The District shall provide all permits and licenses, if any, necessary for the installation and operation of the Facility. In addition, the District agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Facility) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Facility; provided, however, that the District may contest in good faith the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to the Facility or its interest or rights under this Sublease.

ARTICLE X

MISCELLANEOUS

SECTION 10.01. Law Governing. This Sublease shall be governed exclusively by the provisions hereof and by the laws of the State of California as the same from time to time exist.

SECTION 10.02. Notices. All notices, statements, demands, consents, approvals, authorizations, offers, designations, requests, agreements or promises or other communications hereunder by either party to the other shall be in writing and shall be sufficiently given and served upon the other party if delivered personally or if mailed by United States registered mail, return receipt requested, postage prepaid:

If to the Authority or to the District:

c/o San Dieguito Union High School District
710 Encinitas Boulevard
Encinitas, California 92024

If to the Trustee:

U.S. Bank National Association
Corporate Trust Services
633 West Fifth St., 24th Floor
Los Angeles, California 90071

or to such other addresses as the respective parties may from time to time designate by notice in writing. A copy of any such notice or other document herein referred to shall also be delivered to the Trustee.

SECTION 10.03. Validity and Severability. If for any reason this Sublease shall be held by a court of competent jurisdiction to be void, voidable, or unenforceable by the Authority or by the District, or if for any reason it is held by such a court that any of the covenants and conditions of the District hereunder, including the covenant to pay rentals hereunder, is unenforceable for the full term hereof, then and in such event this Sublease is and shall be deemed to be a lease under which the rentals are to be paid by the District semiannually in consideration of the right of the District to possess, occupy and use the Facility, and all of the rental and other terms, provisions and conditions of this Sublease, except to the extent that such terms, provisions and conditions are contrary to or inconsistent with such holding, shall remain in full force and effect.

SECTION 10.04. Net-Net-Net Lease. This Sublease shall be deemed and construed to be a “net-net-net lease” and the District hereby agrees that the rentals provided for herein shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever.

SECTION 10.05. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Sublease.

SECTION 10.06. Amendment or Termination. The Authority and the District may at any time agree to the amendment or termination of this Sublease; provided, however, that the Authority and the District agree and recognize that payments under this Sublease have been pledged to the Bonds and other obligations of the Authority in accordance with the terms of the Trust Agreement, and accordingly, that any such amendment or termination shall only be made or effected in accordance with and subject to the terms of the Trust Agreement.

SECTION 10.07. Execution. This Sublease may be executed in any number of counterparts, each of which shall be deemed to be an original, but all together shall constitute but one and the same Sublease. It is also agreed that separate counterparts of this Sublease may

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separately be executed by the Authority and the District, all with the same force and effect as though the same counterpart had been executed by both the Authority and the District.

[Remainder of page intentionally left blank.]

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IN WITNESS WHEREOF, the Authority and the District have caused this Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

SAN DIEGUITO PUBLIC FACILITIES
AUTHORITY,
as Lessor

By: _____
Chairperson

Attest:

By: _____
Authority Secretary

SAN DIEGUITO UNION HIGH SCHOOL
DISTRICT,
as Lessee

By _____
Associate Superintendent of Business Services

Attest:

By _____
District Clerk

EXHIBIT A

Description of Demised Premises

The real property in the San Dieguito Union High School District, County of San Diego, State of California, described as follows:

[To be inserted.]

EXHIBIT B

Base Rental Payment Schedule

Date	Total Base Rental Payments (\$)
------	------------------------------------

[To be inserted.]

EXHIBIT C

The Project

The “Project” means the financing of various capital projects of the District, and payment of any costs associated with the financing of said projects, including, but not limited to, improvements to Torrey Pines High School (including field replacement and track resurfacing, replacement of air conditioning units in Buildings B and E, roof replacement to Building B, and an energy management system tied to Building G) and various other capital improvements and equipment within the District, as the same may be determined from time to time by the District.

EXHIBIT F

Form of Preliminary Official Statement

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2012

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NEW ISSUE – BOOK-ENTRY ONLY

RATINGS:
S&P: “_”
(See “RATINGS” herein)

In the opinion of Perry Israel, Special Tax Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Special Tax Counsel, interest on the Series 2012A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Special Tax Counsel notes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Tax Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2012A Bonds. See “TAX MATTERS.”

[\$[PAR AMOUNT]*
SAN DIEGUITO PUBLIC FACILITIES AUTHORITY
LEASE REVENUE BONDS, SERIES 2012A
(Torrey Pines High School Projects)
CUSIP No. _____†

Dated: Date of Delivery **Interest Rate: ____%** **Price: ____%** **Maturity Date: March 1, 2020**

This cover page contains information for reference only. Investors must read the entire Official Statement to obtain information essential in making an informed investment decision. Capitalized terms used in this cover page shall have the meanings given such terms herein.

The \$_____ San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the “Series 2012A Bonds”) are issued by the San Dieguito Public Facilities Authority (the “Authority”) pursuant to a Trust Agreement, dated as of March 1, 2012 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association, as trustee, and secured by Base Rental Payments to be made by the San Dieguito Union High School District (the “District”) for the use of certain real property and improvements (the “Facilities”) pursuant to a Facility Sublease, dated as of March 1, 2012 (the “Facility Sublease”), by and between the District, as lessee, and the Authority, as lessor. The proceeds of the Series 2012A Bonds will be used to (i) finance improvements to public high schools within the District and (ii) pay the costs incurred in connection with the issuance of the Series 2012A Bonds.

The District has covenanted under the Facility Sublease to make all Base Rental Payments and Additional Payments (collectively, the “Rental Payments”) provided for therein, to include all such Rental Payments as a separate line item in its annual budgets, and to make the necessary annual appropriations for all such Rental Payments. The District’s obligation to make Base Rental Payments is subject to abatement during any period in which, by reason of material damage to, or destruction or condemnation of, the Facilities, or any defect in title to the Facilities, there is substantial interference with the District’s right to use and occupy any portion of the Facilities. See “RISK FACTORS – Abatement.”

Interest on the Series 2012A Bonds is payable semiannually on March 1 and September 1 of each year, commencing on September 1, 2012. See “THE SERIES 2012A BONDS” herein.

The Series 2012A Bonds will be initially delivered in fully registered form and when issued will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), New York, New York. So long as DTC or its nominee is the registered owner of the Series 2012A Bonds, purchases of the Series 2012A Bonds will be made in book-entry form only, through brokers and dealers who are, or who act through, DTC participants; Beneficial Owners (as defined herein) of the Series 2012A Bonds will not receive physical delivery of Bond certificates; payment of the principal of and interest and any premium on the Series 2012A Bonds will be made directly to DTC or its nominee; and disbursement of such payments to DTC participants will be the responsibility of DTC and disbursement of such payments to the Beneficial Owners will be the responsibility of DTC participants. Purchases of the Series 2012A Bonds may be made in the denomination of \$5,000 or any integral multiple thereof. See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” herein.

The Series 2012A Bonds are subject to optional and mandatory redemption prior to maturity as described herein. See “THE SERIES 2012A BONDS – Redemption.”

The obligation of the District to make the Base Rental Payments does not constitute a debt of the District or of the State of California or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the District or the State of California is obligated to levy or pledge any form of taxation or for which the District or the State of California has levied or pledged any form of taxation.

See “RISK FACTORS” for information that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Series 2012A Bonds.

The Series 2012A Bonds will be offered when, as and if executed and delivered and received by the Underwriter, subject to the approval of legality by Manatt, Phelps & Phillips, LLP, Bond Counsel to the Authority and to the delivery of an opinion of Perry Israel, Special Tax Counsel to the Authority. Certain legal matters will be passed upon for the District and the Authority by Laura D. Romano, Esq., as District and Authority Counsel; and for the Underwriter by Orrick, Herrington & Sutcliffe LLP, as Underwriter’s Counsel. It is anticipated that the Series 2012A Bonds in definitive form will be available for delivery to DTC in New York, New York on or about _____, 2012.

[De La Rosa & Co. Logo]

Dated: _____, 2012

* Preliminary, subject to change.

† Copyright, American Bankers Association. CUSIP data herein is provided by Standard & Poor’s, CUSIP Service Bureau. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. CUSIP numbers are provided for convenience of reference only. Neither the District nor the Underwriter takes any responsibility for the accuracy of such numbers.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of such jurisdiction.

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No dealer, broker, salesperson or other person has been authorized to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Series 2012A Bonds by a person in any jurisdiction in which it is unlawful for such person to make an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers of the Series 2012A 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 facts.

The information set forth herein has been obtained from the Authority and the District and from other sources and is believed to be reliable but is not guaranteed as to accuracy or completeness. The information and expressions of opinions herein are subject to change without notice and neither the 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 Authority and the District since the date hereof. This Official Statement is submitted in connection with the sale of the Series 2012A Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the Authority and the District. All summaries of the documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

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

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

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2012A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

BOARD OF TRUSTEES

Joyce Dalessandro, *President*
Barbara Groth, *Vice President*
Amy Herman, *Clerk*
Beth Hergesheimer, *Trustee*
John Salazar, *Trustee*

DISTRICT ADMINISTRATION

Ken Noah, *Superintendent*
Eric Dill, *Associate Superintendent of Business Services*
John Addleman, *Director of Planning and Financial Management*
Delores Perley, *Director of Financial Services*

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San Diego, California

Financial Advisor
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Irvine, California

Trustee
U.S. Bank National Association
Los Angeles, California

Dissemination Agent
Willdan Financial Services
Temecula, California

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OFFICIAL STATEMENT

**[\$[Par Amount]*
San Dieguito Public Facilities Authority
Lease Revenue Bonds, Series 2012A
(Torrey Pines High School Projects)**

INTRODUCTION

This Official Statement (which includes the cover page and Appendices hereto) (the “Official Statement”), provides certain information concerning the sale and delivery of the \$_____ * San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects) (the “Series 2012A Bonds”). The Series 2012A Bonds are being issued by the San Dieguito Public Facilities Authority (the “Authority”) pursuant to a Trust Agreement, dated as of March 1, 2012 (the “Trust Agreement”), by and between the Authority and U.S. Bank National Association (the “Trustee”) and acknowledged by the San Dieguito Union High School District (the “District”). See “THE SERIES 2012A BONDS – Authority for Issuance; Purpose” and “TAX MATTERS” herein. The Series 2012A Bonds are limited obligations of the Authority payable solely from certain revenues of the Authority, consisting primarily of Base Rental Payments (as defined herein) to be made by the District for the use of certain real property and improvements (the “Facilities”), as more fully described herein. The Facilities will be leased by the District from the Authority pursuant to a Facility Sublease, dated as of March 1, 2012 (the “Facility Sublease”), by and between the District, as lessee, and the Authority, as lessor.

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 appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Series 2012A Bonds to potential investors is made only by means of this Official Statement.

The District

The District was formed in 1936 and is located along the Pacific Ocean in northern San Diego County (the “County”). The District serves students grades 7 through 12, and now covers approximately 85 square miles. Students from five feeder elementary school districts (Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe) are educated by the District. The District currently operates four high schools, four middle schools, one continuation high school and one adult education program. The District estimates that total current enrollment is approximately 12,313 students. The District currently employs 521 certificated employees and 324 classified employees and 58 management employees (full-time equivalents).

For more complete information concerning the District, including certain financial information, see “DISTRICT HISTORY, OPERATION AND FINANCIAL INFORMATION” herein. The District’s audited financial statements for the fiscal year ended June 30, 2011 are included as APPENDIX B, and should be read in their entirety.

THE SERIES 2012A BONDS

Authority for Issuance; Purpose

The Series 2012A Bonds are issued pursuant to the Constitution and the laws of the State of California (the “State”), including the Joint Exercise of Powers Act (being Articles 1 through 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State) (the “Act”), resolutions adopted by the Authority and the District, and the Trust Agreement to (i) finance improvements to public schools within the District (the “Project”) and (ii) pay the costs incurred in connection with the issuance of the Series 2012A Bonds.

* Preliminary, subject to change.

General

The Series 2012A Bonds will be dated their date of delivery, and will be issued in fully registered form without coupons, in the denomination of \$5,000 or any integral multiple of \$5,000. The Series 2012A Bonds will mature on March 1, 2020 (the “Principal Payment Date”), and will bear interest at the rate (calculated on the basis of a 360 day year composed of twelve 30 day months), as shown on the cover page hereof, payable on March 1 and September 1 of each year, commencing September 1, 2012 (each an “Interest Payment Date”).

Each Series 2012A Bond authenticated and registered on any date prior to the close of business on the first Record Date shall bear interest from the date of said Series 2012A Bond. Each Series 2012A Bond authenticated during the period between any Record Date and the close of business on its corresponding Interest Payment Date shall bear interest from such Interest Payment Date. Any other Series 2012A Bond shall bear interest from the Interest Payment Date immediately preceding the date of its authentication. If, at the time of authentication of any Series 2012A Bond, interest is in default on outstanding Series 2012A Bonds, such Series 2012A Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment on the outstanding Series 2012A Bonds.

While the Series 2012A Bonds are subject to the Book-Entry System, payments of principal and interest with respect to the Series 2012A Bonds will be made by the Trustee to DTC, which in turn is obligated to remit such principal and interest to its DTC Participants for subsequent disbursement to Beneficial Owners (as defined herein) of the Series 2012A Bonds as described herein. See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” attached hereto.

Form and Registration of Series 2012A Bonds

The Series 2012A Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository for the Series 2012A Bonds. Individual purchases of the Series 2012A Bonds will be made in Book-Entry form only under the Book-Entry System, in the principal amount of \$5,000 or integral multiples thereof. Except in the event that use of the Book-Entry System is discontinued for the Series 2012A Bonds, Beneficial Owners will not receive physical certificates representing their ownership interests in the Series 2012A Bonds. Principal of and interest on the Series 2012A Bonds will be paid by the Trustee to DTC, which will in turn remit such principal and interest to its Participants (defined herein), for subsequent distribution to the Beneficial Owners of the Series 2012A Bonds, as described herein. The Series 2012A Bonds may be transferred or exchanged in the manner described in the Series 2012A Bonds and as referenced in related proceedings of the State. See “APPENDIX E – BOOK-ENTRY ONLY SYSTEM” attached hereto.

“Beneficial Owner” means any person which has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Series 2012A Bonds (including persons holding Bonds through nominees, depositories or other intermediaries).

Transfer of Series 2012A Bonds

The Series 2012A Bonds will be issued in book-entry only form, as described in the preceding paragraph. Registered ownership of the Series 2012A Bonds, or any portion thereof, may not thereafter be transferred, except as provided in the Trust Agreement: (i) to any successor of Cede & Co., as nominee of DTC, or its nominee, or to any designated substitute depository; or (ii) to any person as provided in the Trust Agreement upon (1) the resignation of DTC or its successor from its function as depository, or (2) if DTC is no longer registered or in good standing under the Securities Exchange Act or other statute or regulation.

Redemption*

[Mandatory Sinking Fund Redemption. The Term Bonds maturing on March 1, 20__ are also subject to mandatory sinking fund redemption on each March 1 on and after September 1, 20__ in the respective principal amounts as set forth in the following schedule, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium:

Mandatory Sinking Fund Redemption Date (March 1)	Principal Amount to be Redeemed
†	
† Maturity	

The principal amount of any maturity to be redeemed in each year as shown above will be reduced proportionately by the amount of any Term Bonds of that maturity optionally redeemed prior to the mandatory sinking fund redemption date unless otherwise directed by the District.]

Optional Redemption After Call Date. The Series 2012A Bonds will be subject to redemption prior to their stated maturity date, at the option of the Authority, from any source of available funds, as a whole or in part in Authorized Denominations, on any date on and after [FIRST CALL DATE], at the respective redemption prices set forth below expressed as percentages of the principal amounts of the Series 2012A Bonds called for redemption, plus accrued interest, if any, to the redemption date:

<u>Redemption Period</u> <u>(Both Dates Inclusive)</u>	<u>Redemption Prices</u> <u>(Expressed as a Percentage)</u>
_____, ____ to _____, ____	[10[_]%
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]
_____, ____ to _____, ____	10[_]

Optional Redemption From General Obligation Bond Proceeds. The Series 2012A Bonds will be subject to redemption in whole prior to their stated maturity date, at the option of the Authority, from a prepayment by the District of Base Rental Payments under the Facility Lease or from the purchase of the Facilities by the District pursuant to the Facility Lease so long as the source of the District's funds are proceeds from a general obligation bond issuance by the District. The redemption price for any such redemption under the Trust Agreement will be the principal amounts of the Series 2012A Bonds called for redemption, plus accrued interest, if any, to the redemption date without any premium.

* Preliminary, subject to change.

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Extraordinary Redemption from Eminent Domain or Insurance Proceeds. The Authority may, with the permission of the District and under the terms of the Facility Sublease, elect not to repair a destroyed or damaged portion of the Facility, and in that event, if the proceeds of insurance together with any other moneys then available for the purpose (including Federal or State disaster relief) are at least sufficient to redeem the aggregate principal amount of outstanding Series 2012A Bonds equal to the amount of Series 2012A Bonds attributable to the portion of the Facility so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the Facility bears to the total cost of the Facility), the Authority will cause said proceeds to be used for the redemption of that portion of the outstanding Series 2012A Bonds at a redemption price equal to the principal amount of the Series 2012A Bonds called for redemption.

If the whole of the Facilities, including the Demised Premises (as defined herein), or so much thereof as to render the remainder unusable, is taken under power of eminent domain, the term of the Facility Sublease will cease as of the day possession is so taken. If less than the whole of the Facilities is taken by eminent domain, there will be a partial abatement of the rental due under the Facility Sublease in an amount equivalent to the amount by which the annual payments of principal of and interest on the Series 2012A Bonds then outstanding will be reduced by the application of the award in eminent domain to the redemption of outstanding Series 2012A Bonds. The Authority will cause the entire award in eminent domain to be used for the redemption of outstanding Series 2012A Bonds at a redemption price equal to the principal amount of the Series 2012A Bonds called for redemption.

Notice of Redemption. Notice of redemption of any Series 2012A Bonds will be given by the Trustee to owners upon the written request of the Authority given to the Trustee not less than 45 days prior to the redemption date. Notice of any redemption of Series 2012A Bonds will be mailed postage prepaid, not less than thirty (30) nor more than sixty (60) days prior to the redemption date (i) by first class mail to the respective owners thereof at the addresses appearing on the bond registration books of the Trustee, and (ii) as may be further required in accordance with the Continuing Disclosure Agreement.

Each notice of redemption will contain all of the following information: (i) the date of such notice; (ii) the name of the Series 2012A Bonds and the date of issue of the Series 2012A Bonds; (iii) the redemption date; (iv) the redemption price, if available; (v) (if less than all of the Series 2012A Bonds are to be redeemed) the distinctive numbers of the Series 2012A Bonds to be redeemed; (vi) (in the case of Series 2012A Bonds redeemed in part only) the respective portions of the principal amount of the Series 2012A Bonds to be redeemed; (vii) the CUSIP number, if any, of the Series 2012A Bonds to be redeemed; (viii) a statement that such Series 2012A Bonds must be surrendered by the owners at the Principal Corporate Trust Office of the Trustee, or at such other place or places designated by the Trustee; and (ix) notice that further interest on such Series 2012A Bonds will not accrue from and after the designated redemption date.

Such redemption notices may state that no representation is made as to the accuracy or correctness of the CUSIP numbers provided therein or on the Series 2012A Bonds.

Effect of Notice. A certificate of the Trustee that notice of call and redemption has been given to owners and as may be further required in the Continuing Disclosure Agreement as herein provided will be conclusive as against all parties. The actual receipt by the owner of any Series 2012A Bond or any other party of notice of redemption will not be a condition precedent to redemption, and failure to receive such notice, or any defect in the notice given, will not affect the validity of the proceedings for the redemption of such Series 2012A Bonds or the cessation of interest on the date fixed for redemption.

When notice of redemption has been given substantially as provided for herein, and when the redemption price of the Series 2012A Bonds called for redemption is set aside for the purpose, the Series 2012A Bonds designated for redemption will become due and payable on the specified redemption date and interest will cease to accrue thereon as of the redemption date, and upon presentation and surrender of such Series 2012A Bonds, at the place specified in the notice of redemption, such Series 2012A Bonds will be redeemed and paid at the redemption price thereof out of the money provided therefor. The owners of such Series 2012A Bonds so called for redemption after such redemption date will look for the payment of such Series 2012A Bonds and the premium thereon, if applicable, only to the funds set aside for such purpose. All Series 2012A Bonds redeemed will be cancelled forthwith by the Trustee and will not be reissued.

Right to Rescind Notice. Upon oral notice, promptly confirmed by written notice from the District that the District has cured the conditions that caused the Series 2012A Bonds to be subject to extraordinary redemption, the Authority may rescind any extraordinary redemption and notice thereof on any date prior to the date fixed for redemption by directing the Trustee in writing to give written notice of the rescission to the owners of the Series 2012A Bonds so called for redemption. Notice of rescission of redemption will be given in the same manner in which notice of redemption was originally given. The actual receipt by the owner of any Series 2012A Bond of notice of such rescission will not be a condition precedent to rescission, and failure to receive such notice or any defect in such notice will not affect the validity of the rescission.

Selection of Series 2012A Bonds for Redemption. If less than all of the Outstanding Series 2012A Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the Series 2012A Bonds to be redeemed in part from the Outstanding Series 2012A Bonds so that the aggregate annual principal amount of and interest on Series 2012A Bonds which will be payable after such redemption date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Series 2012A Bonds Outstanding prior to such redemption date.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012A BONDS

General

The Series 2012A Bonds are secured by the Revenues, which consist primarily of rental payments (the "Base Rental Payments") to be made by the District out of its general fund under the Facility Sublease. Pursuant to the Facility Sublease, the Authority leases the Facility, including the Demised Premises to the District. As rental for the use and occupancy of the Facility, including the Demised Premises, the District covenants to pay Base Rental Payments to the Authority, which payments are pledged to the Trustee for the benefit of the owners of the Series 2012A Bonds. The Base Rental Payments, which are subject to abatement, are calculated to generate sufficient Revenues to pay principal of and interest on the Series 2012A Bonds when due.

The District has covenanted in the Facility Sublease to include all Base Rental Payments in its annual budgets and to make the necessary annual appropriations therefor. Beginning on August 15, 2012, and on each February 15 and August 15 thereafter until the date of termination of the Facility Sublease, the District must pay to the Trustee Base Rental Payments (to the extent required under the Facility Sublease) which are scheduled to be sufficient to pay, when due, the principal of and interest on the Series 2012A Bonds. Base Rental Payments are not subject to acceleration. The Base Rental Payment due on August 15, 2012 shall be for the use of the Facility for the year ending on March 1, 2013. The semiannual Base Rental Payments thereafter shall be for the use of the Facility for each subsequent year ending on March 1.

Under the Facility Sublease, the District agrees to pay Additional Payments for the payment of all expenses and all costs of the Authority and the Trustee related to the lease of the Facilities, including expenses of the Trustee payable by the Authority under the Trust Agreement, and fees of accountants, attorneys and consultants. The District is responsible for repair and maintenance of the Facilities during the term of the Facility Sublease.

The Base Rental Payments will be abated proportionately during any period in which by reason of any damage to or destruction of the Facility, there is substantial interference with the use and occupancy of the Facility by the District, in the proportion in which the cost of that portion of the Facility rendered unusable bears to the cost of the whole of the Facility, including the Demised Premises. During any such period of abatement, except to the extent that amounts held by the Trustee in the Revenue Fund are otherwise available to pay the Series 2012A Bonds, Base Rental Payments from the District will not be available to pay the Series 2012A Bonds. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facility Sublease will continue in full force and effect and the District waives any right to terminate the Facility Sublease by virtue of any such damage or destruction.

If the whole of the Facility or so much thereof as to render the remainder unusable, is taken under power of eminent domain, the term of the Facility Sublease will cease as of the day possession is so taken. If less than the whole of the Facility is taken by eminent domain, there will be a partial abatement of the rental due under the

Facility Sublease in an amount equivalent to the amount of the Base Rental Payments attributed to the portion of the Facility taken, except that the Base Rental Payments shall not be less than the amount necessary to enable the Authority to make all necessary and appropriate payments on, and related to, the Bonds remaining outstanding. So long as the Bonds remain outstanding, the Authority will cause the entire award in eminent domain (less amounts applied for the replacement, repair or restoration of the taken or affected portion of the Facility) to be used for the redemption of Outstanding Series 2012A Bonds at a redemption price equal to the principal amount of the Series 2012A Bonds called for redemption.

If the District defaults under the Facility Sublease, the Authority may (i) terminate the Facility Sublease and take possession of the Facility for the term of the Facility Lease or (ii) retain the Facility Sublease and seek to hold the District liable for all Base Rental Payments and Additional Payments thereunder (without acceleration) as they become due on a semiannual basis. See "APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Facility Sublease – Defaults and Remedies." Base Rental Payments and Additional Payments may not be accelerated. See "RISK FACTORS."

Base Rental Payments

Base Rental Payments are payable semiannually. The first Base Rental Payment is payable on August 15, 2012, and subsequent Base Rental Payments are due on each February 15 and August 15 thereafter until the date of termination of the Facility Sublease. The Base Rental Payment due on August 15, 2012 shall be for the use of the Facility for the year ending on the March 1 immediately following the date the Base Rental Payment is due. The semiannual Base Rental Payments thereafter shall be for the use of the Facility for each subsequent year ending on March 1. The Trust Agreement requires that Base Rental Payments be deposited in the Revenue Fund maintained by the Trustee.

[Notwithstanding the District's obligation to make Base Rental Payments as described above, to the extent the amount that the Trustee is required to transfer from the Revenue Fund to the Principal Account on the [March 1st] immediately following the date of a Base Rental Payment is less than the amount required to be paid by the District pursuant to the Schedule attached to the Facility Sublease (taking into account interest earned on the funds held in the Principal Account, the District shall only be obligated to pay such lesser amount.]

THE OBLIGATION OF THE DISTRICT TO MAKE BASE RENTAL PAYMENTS IS AN OBLIGATION PAYABLE FROM AMOUNTS IN THE GENERAL FUND OF THE DISTRICT, AND DOES NOT CONSTITUTE A DEBT OF THE DISTRICT, THE AUTHORITY OR OF THE STATE OF CALIFORNIA OR OF ANY POLITICAL SUBDIVISION THEREOF IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION OR AN OBLIGATION FOR WHICH THE DISTRICT MUST LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, ANY FORM OF TAXATION.

Additional Payments

The District will also pay such amounts (herein called the "Additional Payments") as required by the Authority for the payment of all costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of the Facility Sublease and the Trust Agreement, in connection with its interest in the Facility and the sublease of the Facility to the District, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Facility including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification of the Trustee payable by the Authority under the Trust Agreement, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Series 2012A Bonds or of the Trust Agreement; but not including in Additional Payments amounts required to pay the principal of or interest, if any, on the Series 2012A Bonds.

Such Additional Payments will be billed to the District by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Facility will be included in the Additional Payments.

Covenant to Appropriate Funds

The District covenants under the Facility Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due under the Facility Sublease in its annual budgets and to make the necessary annual appropriations therefor as shall be required to provide funds in each year for Base Rental Payments and Additional Payments.

Abatement

The Base Rental Payments and Additional Payments shall be abated proportionately during any period in which by reason of any damage or destruction (other than by condemnation which is otherwise provided for) there is substantial interference with the use and occupancy of the Facility by the District, in the proportion in which the initial cost of that portion of the Facility rendered unusable bears to the initial cost of the whole of the Facility, including the Demised Premises. Such abatement shall continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facility Sublease shall continue in full force and effect and the District waives any right to terminate the Facility Sublease by virtue of any such damage or destruction. If on the stated termination date of the Facility Sublease, the Series 2012A Bonds and all other amounts then due under the Facility Sublease shall not be fully paid, or if the rental payable thereunder shall have been abated at any time and for any reason, then the term of the Facility Sublease shall be extended until all Series 2012A Bonds corresponding to the Base Rental Payments and all other amounts then due hereunder shall be fully paid, except that the term of the Facility Sublease shall in no event be extended beyond ten (10) years after such initial termination date. If prior to such date, all Series 2012A Bonds and all other amounts then due hereunder shall be fully paid, or provision therefor made, the term of the Facility Sublease shall end ten (10) days thereafter or upon written notice by the District to the Authority, whichever is earlier. For information regarding rental interruption insurance, see “– Insurance” below.

The Authority cannot terminate the Facility Sublease solely on the basis of such substantial interference. Abatement of Base Rental Payments is not an event of default under the Facility Sublease and does not permit the Authority to take any action or avail itself of any remedy against the District. For a description of abatement resulting from condemnation of all or part of the Facility, see “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY SUBLEASE – Rent Payments; Use of Proceeds – Rental Abatement.”

Insurance

The Facility Sublease requires the District to maintain or cause to be maintained, throughout the term of the Facility Sublease, insurance against loss or damage to any structures constituting any part of the Facility by fire and lightning, with extended coverage insurance, vandalism and malicious mischief insurance and sprinkler system leakage insurance, and earthquake insurance, if available on the open market from reputable insurance companies at a reasonable cost as determined by the District. Such extended coverage insurance will, as nearly as practicable, cover loss or damage by explosion, windstorm, riot, aircraft, vehicle damage, smoke and such other hazards as are normally covered by such insurance. Such insurance will be in an amount equal to the replacement cost (without deduction for depreciation) of all structures constituting any part of the Facility, excluding the cost of excavations, of grading and filling, and of the land (except that such insurance may be subject to deductible clauses for any one loss of not to exceed \$250,000 or comparable amount adjusted for inflation or more in the case of earthquake insurance), or in the alternative, will be in an amount and in a form sufficient (together with moneys held under the Trust Agreement), in the event of total or partial loss, to enable all Series 2012A Bonds then Outstanding to be redeemed.

In the event of any damage to or destruction of any part of the Facility caused by the perils covered by such insurance, the Authority, except as hereinafter described, will cause the proceeds of such insurance to be utilized for the repair, reconstruction or replacement of the damaged or destroyed portion of the Facility, to at least the same condition as they were in prior to the damage or destruction, insofar as the same may be accomplished by the use of said proceeds. The Trustee will hold such proceeds in the Insurance and Condemnation Fund and will permit withdrawals upon written request for such purposes. Any balance of said proceeds not required for such repair, reconstruction or replacement will be treated by the Trustee as Base Rental Payments and applied in the manner provided by the Trust Agreement. Alternatively, if the proceeds of such insurance together with any other moneys

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then available for such purpose are at least sufficient to redeem an aggregate principal amount of Outstanding Series 2012A Bonds equal to the amount of Base Rental attributable to the portion of the Facility so destroyed or damaged (determined by reference to the proportion which the cost of such portion of the Facility bears to the cost of the Facility), the Authority, with the written consent of the District, may elect not to repair, reconstruct or replace the damaged or destroyed portion of the Facility and thereupon will cause said proceeds to be used for the redemption of Outstanding Series 2012A Bonds pursuant to the provisions of the Trust Agreement. In that event the Base Rental Payments shall be abated in the same proportion, except that the Base Rental Payments shall not be less than the amount necessary to enable the Authority to make all necessary and appropriate payments on and related to the Series 2012A Bonds remaining Outstanding, including but not limited to annual deposits into the Principal Account.

The Authority and the District covenant to promptly apply for federal or State disaster aid in the event that the Facility is damaged or destroyed as a result of an earthquake occurring at any time. Any proceeds received as a result of such disaster aid will be used to repair, reconstruct, restore or replace the damaged or destroyed portions of the Facility, or, at the option of the District and the Authority, to redeem Outstanding Series 2012A Bonds if such use of such disaster aid is permitted.

As an alternative to providing the fire and extended coverage insurance, or any portion thereof, required by the Facility Sublease, the District may provide a self-insurance method or plan of protection if and to the extent such self-insurance method or plan of protection will afford reasonable coverage for the risks required to be insured against, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the District. So long as such method or plan is being provided to satisfy the requirements of the Facility Sublease, there will be filed with the Trustee a statement of an actuary, insurance consultant or other qualified person (which may be the Risk Manager of the District), stating that, in the opinion of the signer, the substitute method or plan of protection is in accordance with the requirements of the Facility Sublease and, when effective, would afford reasonable coverage for the risks required to be insured against. There will also be filed a certificate of the District setting forth the details of such substitute method or plan. In the event of loss covered by any such self-insurance method, the liability of the District under the Facility Sublease will be limited to the amounts in the self-insurance reserve fund or funds created under such method.

The Facility Sublease requires the District to maintain or cause to be maintained, rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Facility as the result of any of the hazards covered by the fire and extended coverage insurance required by the Facility Sublease described in the preceding paragraphs (provided that earthquake insurance will be required only if it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the District), in an amount sufficient to pay the part of the total rent attributable to the portion of the Facility rendered unusable (determined by reference to the proportion which the cost of such portion bears to the cost of the Facility) for a period of at least two years, except that such insurance may be subject to a deductible clause of not to exceed \$250,000 (or comparable amount adjusted for inflation or more in the case of earthquake coverage). Any proceeds of such insurance will be used by the Trustee to reimburse to the District any rental theretofore paid by the District under the Facility Sublease attributable to such structure for a period of time during which the payment of rental under the Facility Sublease is abated, and any proceeds of such insurance not so used will be applied to pay Base Rental Payments and Additional Payments.

The District is required under the Facility Sublease to purchase commercial insurance to cover damage due to earthquake only if it is available on the open market from reputable insurance companies at a reasonable cost, as determined by the District. See "RISK FACTORS – Risk of Earthquake and Other Natural Disasters."

The District is also required to obtain certain liability insurance coverage in protection of the Authority and the Trustee.

Flow of Funds

The Trust Agreement creates the Revenue Fund, the Principal Account and the Interest Account for the Series 2012A Bonds. The Trust Agreement requires that Base Rental Payments be deposited in the Revenue Fund and from there, transferred in such amounts as are necessary to the Interest and Principal Account to pay principal of and interest on the Series 2012A Bonds as the same become due and payable.

DEMISED PREMISES AND THE FACILITY

The “Demised Premises” include certain real property situated in the San Dieguito Union High School District, State of California, described in the Facility Sublease, together with any additional real property added thereto or substituted therefor in accordance with the Facility Sublease and the Trust Agreement. The Facility consists of Torrey Pines High School located on and including the Demised Premises (other than and specifically excluding the public school facilities and improvements financed directly and indirectly pursuant to the provisions of the Mello Roos Community Facilities Act of 1982, as amended) together with any additional property added or substituted for all or any portion of such property in accordance with the Facility Sublease and the Trust Agreement and less any property released in accordance with the Facility Sublease and the Trust Agreement.

The term “Project” as used in the Facility Sublease means the financing of various capital improvements of the Facility. Improvements to the Facility include field replacement and track resurfacing, replacement of air conditioning units in Buildings B and E, roof replacement to Building B, and an energy management system tied to Building G. The proceeds of the Series 2012A Bonds will be used to finance the Project and to pay costs of issuing the Series 2012A Bonds and incidental and related expenses.

Substitution

The District and the Authority may substitute other real property as part of the Facility for purposes of the Facility Sublease provided the District has filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Series 2012A Bonds, all of the following:

- (a) Executed copies of the Facility Sublease or amendments thereto containing the amended description of the Facility, including the legal description of the Demised Premises as modified, if necessary.
- (b) A Certificate of the District with copies of the Facility Sublease or the Facility Lease as applicable, or amendments thereto containing the amended description of the Facility stating that such documents have been duly recorded in the official records of the County Recorder of San Diego County.
- (c) A Certificate of the District, together with an appraisal performed by an independent appraiser, evidencing that the annual fair rental value of the property which will constitute the Facility after such substitution will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current year ending March 1 or in any subsequent year ending March 1.
- (d) A Certificate of the District stating that, based upon review of such instruments, certificates or any other matters described in such Certificate of the District, the District has good merchantable title to the Facility, which will constitute the Facility after such substitution. The term “good merchantable title” shall mean such title as is satisfactory and sufficient for the needs and operations of the District.
- (e) A Certificate of the District stating that such substitution does not adversely affect the District’s use and occupancy of the Facility.
- (f) An Opinion of Bond Counsel stating that such amendment or modification (i) is authorized or permitted by the Constitution and laws of the State and by the Trust Agreement; (ii) complies with the terms of the Constitution and laws of the State and of the Trust Agreement; (iii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the District; and (iv) will not cause interest on the Series 2012A Bonds to be included in gross income for California state or federal income tax purposes.

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There is no requirement that any substitute Facility be of the same or a similar nature or function as the then existing Facility.

Release

The District, in its discretion, may request the Authority to sell or exchange any personal property which may at any time constitute a part of the Facility, and to release said personal property from this Sublease, if (a) in the opinion of the District the property so sold or exchanged is no longer required or useful in connection with the operation of the Facility, (b) the consideration to be received from the property is of a value substantially equal to the value of the property to be released, and (c) if the value of any such property shall, in the opinion of the Authority, exceed the amount of \$100,000, the Authority shall have been furnished a certificate of an independent engineer or other qualified independent professional consultant (satisfactory to the Authority) certifying the value thereof and further certifying that such property is no longer required or useful in connection with the operation of the Facility.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of proceeds of the Series 2012A Bonds are shown below.

SOURCES

Sources of Funds:

Principal Amount of Series 2012A Bonds	\$
<i>Total Sources</i>	\$

Uses of Funds:

Project Funds	\$
Costs of Issuance ⁽¹⁾	
<i>Total Uses</i>	\$

⁽¹⁾ Includes legal, rating agency and printing fees, underwriter's discount, and other miscellaneous costs of issuance.

BASE RENTAL PAYMENTS

The Facility Sublease requires that Base Rental Payments be made semiannually on or before each Base Rental Deposit Date; provided such amounts shall be reduced by certain investment earnings, as described in “APPENDIX A – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – THE FACILITY SUBLEASE – Rent Payments; Use of Proceeds – Base Rental Payment.” The following schedule shows scheduled semiannual and annual aggregate Base Rental Payments.

Base Rental Payment Schedule

Date	Semi-Annual Base Rental Payment	Annual Base Rental Payment (for each lease year ending on March 1)
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RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2012A Bonds. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2012A Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.

General Considerations

The obligation of the District to make the Base Rental Payments does not constitute a debt of the District or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the District or the State is obligated to levy or pledge any form of taxation or for which the District or the State has levied or pledged any form of taxation.

Although the Facility Sublease does not create a pledge, lien or encumbrance upon the funds of the District, the District is obligated under the Facility Sublease to pay the Base Rental Payments from any source of legally available funds and the District has covenanted in the Facility Sublease that it will take such action as may be necessary to include all Base Rental Payments in its annual budgets and to make necessary annual appropriations therefor. The District is currently liable, and may become liable, on other obligations payable from general revenues, some of which may have a priority over the Base Rental Payments.

The District has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the District, the funds available to make Base Rental Payments may be decreased. In the event the District's revenue sources are less than its total obligations, the District could choose to fund other activities before making Base Rental Payments and other payments due under the Facility Sublease.

Abatement

In the event of substantial interference with the District's right to use and occupy any portion of the Facility by reason of material damage to, or destruction or condemnation of, the Facility, or any defect in title to the Facility, Base Rental Payments will be subject to abatement. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012A BONDS – Abatement." In the event that such portion of the Facility, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the District's rental interruption insurance will be available in lieu of Base Rental Payments, plus the period for which other amounts are available from the Reserve Fund or other funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds or condemnation proceeds are insufficient to provide for complete repair or replacement of such portion of the Facility or prepayment of the Series 2012A Bonds, there could be insufficient funds to make payments to Series 2012A Bond owners in full.

Absence of Earthquake

The District has determined that earthquake insurance on the Facility is not available on the open market from reputable insurance companies at a reasonable cost, and therefore, as permitted by the Facility Sublease, has not insured against such risk. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012A BONDS – Insurance." The District does not currently anticipate obtaining such insurance in the future. See "– Seismic Factors" below.

Limited Recourse on Default

If the District defaults on its obligations to make Base Rental Payments, the Authority, may (subject to the restrictions described below) retain the Facility Sublease and hold the District liable for all Base Rental Payments on a semiannual basis and will have the right to reenter and relet the Facility. In the event such reletting occurs, the District would be liable for any resulting deficiency in Base Rental Payments. Alternatively, the Authority may

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(subject to the restrictions described below) terminate the Facility Sublease with respect to the Facility and proceed against the District to recover damages pursuant to the Facility Sublease.

Due to the specialized nature of the Facility, no assurance can be given that the Authority will be able to relet any portion of the Facility so as to provide rental income sufficient to make payments of principal and interest evidenced by the Series 2012A Bonds in a timely manner, and the Authority is not empowered to sell the Facility for the benefit of the owners of the Series 2012A Bonds. In addition, due to the governmental function of the Facility, it is not certain whether a court would permit the exercise of the remedies of repossession and reletting with respect thereto. Any suit for money damages would be subject to limitations on legal remedies against school districts in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest.

No Acceleration Upon Default

In the event of a default, there is no available remedy of acceleration of the Base Rental Payments due over the term of the Facility Sublease. The District would only be liable for Base Rental Payments on a semiannual basis, and the Authority would be required to seek a separate judgment in each fiscal year for that fiscal year's Base Rental Payments.

Substitution or Release of Facility

The Facility Sublease provides that, upon satisfaction of the other conditions specified therein, the District may release from the Facility Sublease any portion of the Facility or substitute alternate real property for all or any portion of the Facility. Such a replacement or release could have an adverse impact on the security for the Series 2012A Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such substitution or release.

Bankruptcy

In addition to the limitations on remedies contained in the Facility Sublease and the Trust Agreement, the rights and remedies provided in the Facility Sublease and the Trust Agreement may be limited by and are subject to provisions of federal bankruptcy laws, as now or hereafter enacted, and to other laws or equitable principles that may affect the enforcement of creditors' rights.

Seismic Factors

The District, like most regions in the State, is located in an area of seismic activity from movements along active fault zones and, therefore, could be subject to potentially destructive earthquakes. Additionally, numerous minor faults transect the area. Seismic hazards encompass both potential surface rupture and ground shaking. The occurrence of severe seismic activity in the area of the District could result in substantial damage and interference with the District's right to use and occupy all or a portion of the Facility, which could result in the Base Rental Payments being subject to abatement. See "- Abatement" above. The District is not required by the Facility Sublease or otherwise to obtain or maintain earthquake insurance for the Facility. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2012A BONDS - Insurance."

Economic Conditions in California

State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. Because much of the District's revenues derive from payments from the State, the District's revenues can vary significantly from year to year, even in the absence of significant education policy changes. Decreases in the State's general fund revenues may significantly affect appropriations made by the State to school districts, including the District. See "DISTRICT HISTORY, OPERATION AND FINANCIAL INFORMATION - State Funding of Education; State Budget Process" and "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS - Proposition 98 and Proposition 111."

No Liability of Authority to the Owners

Except as expressly provided in the Trust Agreement, the Authority will not have any obligation or liability to the owners of the Series 2012A Bonds with respect to the payment when due of the Base Rental Payments by the District, or with respect to the performance by the District of other agreements and covenants required to be performed by it contained in the Facility Sublease or the Trust Agreement, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

THE AUTHORITY

The Authority is a joint powers authority, organized pursuant to a Joint Powers Agreement, dated October 22, 1998 (the “JPA Agreement”), between the District and Community Facilities District No. 94-1 of the District. The JPA Agreement was entered into pursuant to the California Government Code, commencing with Section 6500. The Authority is a separate entity constituting a public instrumentality of the State of California and was formed for the public purpose of assisting in acquiring, disposing, financing and refinancing capital improvement projects for the benefit of the District and the other parties to the JPA Agreement.

The Authority is governed by a five member Board of Directors. The Authority’s powers include, but are not limited to, the power to issue bonds and to sell such bonds to public or private purchasers at public or by negotiated sale. The Authority is entitled to exercise the powers common to its members and necessary to accomplish the purposes for which it was formed. These powers include the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain and operate buildings, works or improvements; to acquire, hold or dispose of property within the District; and to incur debts, liabilities or obligations.

DISTRICT HISTORY, OPERATION AND FINANCIAL INFORMATION

The following information describes the operations of the District and the assessed value and property tax information of the District.

Introduction

The District consists of approximately 85 square miles of territory in the northern portion of San Diego County, California. The District educates students from five feeder elementary school districts: Encinitas, Cardiff, Solana Beach, Del Mar and Rancho Santa Fe. The District operates four high schools, four middle schools, one continuation high school and one adult education program.

The management and policies of the District are administered by a Superintendent of Schools and a staff which provides business, pupil, personnel, administrative personnel, and instruction support services.

Board of Trustees

The District is governed by a common five-member Board of Trustees (the “Board”), each of whom is elected to a four-year term. Elections for positions to the Board are held every two years, alternating between two and three available positions. Current members of the Board, together with their office and the date their term expires, are listed below:

<u>Board Member</u>	<u>Office</u>	<u>Term Expires</u>
Joyce Dalessandro	President	December 2012
Barbara Groth	Vice President	December 2012
Amy Herman	Clerk	December 2014
Beth Hergesheimer	Trustee	December 2014
John Salazar	Trustee	December 2014

Superintendent and Administrative Personnel

The administrative staff of the District includes Ken Noah, Superintendent; Eric Dill, Associate Superintendent of Business Services; Delores Perley, Director of Financial Services; and John Addleman, Director of Planning and Financial Management. Brief biographies of each follows.

Ken Noah, Superintendent. Mr. Noah has been employed with the District as Superintendent of Schools since 2008. Mr. Noah holds Superintendent Certification in the State of Oregon and an Administrative Credential in the State of California. He received a Bachelor of Science Degree in History from Southern Oregon University and an M.Ed. from the University of Oregon College of Education. Prior to joining the District, Mr. Noah served as Superintendent of the Gresham-Barlow School District in suburban Portland, Oregon and is in his 36th year in education.

Eric Dill, Associate Superintendent of Business Services. Mr. Dill has worked for the District since 2001. His current position oversees all non-instructional operations for the District, including the finance, facilities planning, purchasing and risk management functions. Prior to joining the District, Mr. Dill worked for twelve years in various private sector risk management positions. Mr. Dill completed the CBO Mentor Project in 2006 which is a highly selective, intensive and well-respected training program for school district chief business officials sponsored by California's most reputable school district business organizations. He also maintains a Certified Chief Business Official designation with the California Association of School Business Officials.

[insert biography - Delores Perley, Director of Financial Services]

John Addleman, Director of Planning and Financial Management. Mr. Addleman has been employed with the District for 12 years. His current position oversees the District's internal auditing and planning program including Mello Roos bond and tax collection for facility project funding. Prior to joining the District, Mr. Addleman provided trust and general accounting services to a number of local law firms. Mr. Addleman holds a BA in Economics from UC San Diego.

State Funding of Education; State Budget Process

General. As is true for all school districts in California, the District's operating income consists primarily of two components: a State portion funded from the State's general fund and a locally generated portion derived from the District's share of the 1% local *ad valorem* property tax authorized by the State Constitution. School districts may be eligible for other special categorical funding, including for State and federal programs. For fiscal year 2011-12, the District is projected to receive 6% of its general fund revenues from State funds. As a result, decreases in State revenues, or in State legislative appropriations made to fund education, may affect the District's revenues and operations.

State funding is guaranteed to a minimum level for school districts, community college districts, and other State agencies that provide direct elementary and secondary instructional programs. The funding guarantee is known as "Proposition 98," a constitutional and statutory initiative amendment adopted by the State's voters in 1988, and amended by Proposition 111 in 1990 (now found at Article XVI, Sections 8 and 8.5 of the Constitution).

Recent years have seen frequent disruptions in State personal income taxes, sales and use taxes, and corporate taxes, making it increasingly difficult for the State to meet its Proposition 98 funding mandate, which normally commands about 45% of all State general fund revenues, while providing for other fixed State costs and priority programs and services. Because education funding constitutes such a large part of the State's general fund expenditures, it is at the heart of annual budget negotiations and adjustments.

Adoption of Annual State Budget. According to the State Constitution, the Governor of the State (the "Governor") must propose a budget to the State Legislature no later than January 10 of each year. Under an initiative constitutional amendment approved by the State's voters on November 2, 2010 as "Proposition 25," a final budget must be adopted by a majority vote of each house of the Legislature no later than June 15, although this deadline has been routinely breached in the past. The budget becomes law upon the signature of the Governor, who

may veto specific items of expenditure. School district budgets must generally be adopted by July 1, and revised by the school board within 45 days after the Governor signs the budget act to reflect any changes in budgeted revenues and expenditures made necessary by the adopted State budget.

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

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

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

In recent years, the State's response to fiscal difficulties has had a significant impact on Proposition 98 funding and settle-up treatment. The State has sought to avoid or delay paying settle-up amounts when funding has lagged the guaranteed amount. In response, teachers' unions, the State Superintendent, and others, sued the State or Governor in 1995, 2005, and 2009, to force them to fund schools in the full amount required. The settlement of the 1995 and 2005 lawsuits has so far resulted in over \$4 billion in accrued State settle-up obligations. However, legislation enacted to pay down the obligations through additional education funding over time, including the Quality Education Investment Act of 2006, have also become part of annual budget negotiations, resulting in repeated adjustments and deferrals of the settle-up amounts.

The State has also sought to preserve general fund cash while avoiding increases in the base guaranteed amount through various mechanisms: by treating any excess appropriations as advances against subsequent years' Proposition 98 minimum funding levels rather than current year increases; by temporarily deferring apportionments of Proposition 98 funds one fiscal year to the next; by permanently deferring the year-end apportionment from June 30 to July 2; by suspending Proposition 98, and by proposing to amend the Constitution's definition of the guaranteed amount and settle-up requirement under certain circumstances.

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2011-12 State Budget. The Governor signed the fiscal year 2011-12 State budget (the “2011-12 State Budget”) on June 30, 2011. The 2011-12 State Budget closes a \$26.6 billion budget gap with \$15.0 billion in expenditure reductions, \$0.9 billion in targeted revenue increases, \$8.3 billion in an improvement in the State’s revenue outlook and \$2.9 billion in new loans and transfers.

The 2011-12 State Budget recognizes that school funding has been disproportionately reduced since fiscal year 2007-08 and initially maintained Proposition 98 funding for K-12 programs at similar levels for fiscal year 2011-12 as is in effect for fiscal year 2010-11. However, revenues are projected to fall short by more than \$2 billion of the revenues forecasted in the 2011-12 State Budget, triggering a first round of cuts built in to the state budget should revenue fall below what lawmakers planned. The additional \$1.9 billion in education reductions could result in shortening the school year by seven days, eliminating the home-to-school transportation program and reducing community college apportionments (see, “– *Trigger of Automatic Cuts*” below).

The 2011-12 State Budget, as enacted, slightly lowers Proposition 98 programmatic funding for fiscal year 2011-12 (\$48.7 billion) from fiscal year 2010-11 (\$49.7 billion). Such funding reflects an increase in general fund revenues in fiscal year 2011-12, the expiration of a variety of short-term tax increases and the rebenching of Proposition 98 guarantee for revenue and program shifts (as further described below).

Under Proposition 98, K-14 education is guaranteed the same percentage of State general fund revenue that was provided in fiscal year 1986-87. When a factor in the calculation changes or a new program is added, Proposition 98 is adjusted or “rebenched” to accurately reflect the base year distribution of State revenues to K-14 education. In fiscal year 2011-12, there are four new rebenching impacts:

- An increase of \$578.1 million to ensure that the Proposition 98 guarantee does not decrease with the shift in motor vehicle fuel revenues. Legislation eliminated the sales tax and increased the excise tax on motor vehicle fuel in fiscal year 2010-11, reducing the amount of revenue that is counted as general fund with the State appropriation limit for the purposes of the Proposition 98 calculation.
- An increase of \$221.8 million to reflect the inclusion of mental health and out-of-home care services within the Proposition 98 guarantee. The 2011-12 State Budget shifts responsibility for mental health services, including out-of-home residential services, from local mental health and county welfare departments to school districts.
- A decrease of \$1.134 billion to reflect the exclusion of child care programs, with the exception of part-day preschool programs, from Proposition 98. The 2011-12 State Budget shifts the child care program fund source from Proposition 98 general fund to non-Proposition 98 general fund. The part-day preschool programs are still funded within Proposition 98.
- A decrease of \$1.7 billion to ensure that the total Proposition 98 guarantee is unchanged as a result of new local revenue related to redevelopment agencies. The 2011-12 State Budget requires local agencies to provide remittances totaling \$1.7 billion in fiscal year 2011-12 to K-12 school districts and county offices of education located within the project area of a redevelopment agency.

In addition to the above adjustments, Proposition 98 is decreased \$2.1 billion as a result of the reduction in general fund sales tax revenue related to the realignment of public safety programs to counties.

Certain adjustments to Proposition 98 expenditures adopted as part of the 2011-12 State Budget included (i) the deferral of \$2.1 billion in K-12 education funding, deemed necessary to maintain funding for K-12 education programs at the fiscal year 2010-11 funding level, and (ii) a decrease of \$62.3 million of part-day State preschool expenditures, including a decrease of \$16.1 million to reduce income eligibility to 70% of the State median income, and a decrease of \$46.2 million to reduce provider contracts across-the-board.

The 2011-12 State Budget includes the following significant Proposition 98 general fund policy and workload adjustments:

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- Shift in mental health services from counties to school districts. The 2011-12 State Budget rebenches the Proposition 98 guarantee and provides an increase of \$221.8 million Proposition 98 general fund to shift the responsibility for providing mental health services, including out-of-home residential services, required under federal law from county mental health departments and county welfare departments to school districts. The 2011-12 State Budget also reflects the repeal of the AB 3632 mandate. Additionally, the 2011-12 State Budget includes \$2.8 million in one-time federal carryover funds for program oversight and technical assistance while transitioning these services from counties to schools, and for Office of Administrative Hearings caseload resulting from increased AB 3632 mental health service related disputes. The 2011-12 State Budget continues to provide \$98.6 million in Proposition 63 funds to county mental health agencies on a one-time basis in 2011-12. School districts can contract with counties to provide services using Proposition 63 funds, but schools would be responsible for any costs exceeding this amount. In total, the 2011-12 State Budget provides \$389.4 million from all fund sources, including \$69 million in federal funds currently budgeted for mental health services.
- Funding for new charter schools. A total of \$11 million to provide charter schools that commenced operations between fiscal year 2008-09 and fiscal year 2011-12 with supplemental categorical funding. This funding ensures new charter schools have access to the same funding as existing charter schools and traditional public schools. New conversion charter schools would be excluded from this funding and would instead receive a pass-through payment from the school district.
- Extension of flexibility for K-12 school districts. The 2011-12 State Budget extends the following flexibility options to school districts for an additional two years: categorical program flexibility, routine and deferred maintenance expenditure requirements, class size requirements, instructional time requirements, sale of surplus property, instructional materials purchase requirements and local budget reserve requirement.

In addition to the above, a decrease of \$180.4 million to child care and development programs was enacted, reflecting the following: (i) a decrease of \$37.4 million to reduce license-exempt provider rates from 80% to 60% of licensed rates for voucher-based programs; (ii) a decrease of \$12.4 million to reduce income eligibility to 70% of the State median income; and (iii) a decrease of \$130.7 million to reflect an across the board reduction in provider contracts.

The 2011-12 State Budget also makes a one-time change to the A.B. 1200 (see, “– District Budget Process and County Review) reporting process by requiring K-12 districts to adopt a one-year budget for Fiscal Year 2011-12 and not the standard current budget plus two subsequent years. It further specifies that county superintendents cannot force K-12 districts to adopt a three-year budget or a budget based on the worst-case scenario (that is, assuming the trigger for education cuts gets pulled).

The complete 2011-12 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

Trigger of Automatic Cuts. On December 13, 2011, Governor Brown announced that State revenues had fallen \$2.2 billion below projections made at the adoption of the 2011-12 State Budget, thus triggering certain automatic spending reductions discussed above. Reductions in education spending amounted to approximately \$330 million. The majority of reductions (\$248 million) will affect the State’s home-to-school transportation funding. Additional reductions of approximately \$79.6 million will affect Proposition 98 apportionments. Shortly after the reductions to the home-to-school transportation program were implemented by the state administration, the Legislature introduced and passed SB 81, which restored home-to-school transportation funding and offset the increase in funding by adopting a further 0.65% cut to the revenue limits of school districts statewide. In the District’s case, the amount of restored transportation funding is less than the amount lost through the increased Fair Share contribution. The Fair Share contribution is an amount which Basic Aid districts pay back to the state through

their categorical funding to recognize the cuts that have been made to Revenue Limit districts. The District anticipates net reductions of approximately \$335 thousand in 2012-13 as a result of SB 81.

Proposed 2012-13 State Budget. The Governor officially released his proposed fiscal year 2012-13 State budget (the “2012-13 Proposed State Budget”) on January 5, 2012. The 2012-13 Proposed State Budget projects that the State will face a budget gap of \$9.2 billion in fiscal year 2012-13, which is less than the \$26.6 billion budget gap encountered for fiscal year 2011-12 but more than the approximate \$5 billion that was projected when the 2011-12 State Budget was signed. The 2012-13 Proposed State Budget provides that the \$9.2 billion budget gap is the result of a carryover deficit of \$4.1 billion from fiscal year 2011-12 and an operating deficit, absent any solutions, of \$5.1 billion. The carryover deficit of \$4.1 billion from fiscal year 2011-12 is, according to the 2012-13 Proposed State Budget, a result of several developments, including a \$1.9 billion deficit that carried over from the prior fiscal year and court orders and delayed federal approval related to several cuts in the 2011-12 State Budget.

The 2012-13 Proposed State Budget indicates that a total of \$10.3 billion in cuts, taxes and other revenues will be necessary to close the \$9.2 billion budget gap and to build a \$1.1 billion reserve. The 2012-13 Proposed State Budget reduces expenditures by \$4.2 billion, including substantial cuts to major programs, such as a \$946 million cut to CalWORKs, \$447 million cut to subsidized child care, \$842 million cut to Medi-Cal and \$302 million reduction to the Cal Grant program. The 2012-13 Proposed State Budget also plans for a \$544 million savings from the elimination of supplemental funding for schools associated with the elimination of the sales tax on gasoline together with certain other Proposition 98 adjustments. The 2012-13 Proposed State Budget proposes a total of \$6.1 billion in new revenues.

In addition to balancing the budget, the 2012-13 Proposed State Budget aims to set forth a path to meet the State’s long-term fiscal challenges. The 2012-13 Proposed State Budget recognizes that the State’s debt, deferrals and budgetary obligations will total \$33 billion at the end of fiscal year 2011-12. Under the 2012-13 Proposed State Budget, for the first time in the past decade, the budget is projected to be balanced on an ongoing basis and the \$33 billion amount is projected to be paid off by fiscal year 2015-16.

The 2012-13 Proposed State Budget assumes the passage of the Governor’s proposed initiative for increased taxes at the November 2012 election, which initiative increases the income tax on the State’s wealthiest earners and temporarily increases the sales tax by 0.5%. This initiative is projected by the 2012-13 Proposed State Budget to generate an additional \$6.9 billion in revenues in fiscal year 2012-13, which amount results in a net benefit to the State general fund of \$4.4 billion after accounting for the increased Proposition 98 minimum guarantee. If the Governor’s proposed initiative is not approved, the 2012-13 Proposed State Budget specifies a trigger package of cuts to take effect on January 1, 2013, consisting of \$5.4 billion in additional cuts, including a \$4.8 billion cut to schools and community colleges through the reduction in the Proposition 98 guarantee, a \$200 million cut to the State’s public university systems and a \$125 million cut to the State’s court system.

As it relates to K-12 education, the 2012-13 Proposed State Budget recognizes that Proposition 98 funding for K-12 education significantly declined from an all time high of \$56.6 billion in fiscal year 2007-08 to \$47.6 billion in fiscal year 2011-12. The 2012-13 Proposed State Budget, assuming approval of the Governor’s proposed tax initiatives, provides Proposition 98 funding of \$52.5 billion for K-12 education, an increase of \$4.9 billion from the previous fiscal year. When accounting for all state, federal and local property tax resources, total funding for K-12 education is projected to be \$67.1 billion in fiscal year 2012-13. Total per-pupil expenditures from all sources are projected to be \$10,610 in fiscal year 2011-12 and \$11,246 in fiscal year 2012-13, including funds provided for prior year “settle-up” obligations. K-12 Proposition 98 per-pupil expenditures in the 2012-13 Proposed State Budget are \$7,815 in fiscal year 2012-13, up significantly from the \$7,096 per-pupil provided in fiscal year 2011-12. For fiscal year 2011-12, K-12 A.D.A. is estimated to be 5,950,041, an increase of 2,673 from fiscal year 2010-11. The 2012-13 Proposed State Budget estimates that K-12 A.D.A. will increase by an additional 20,734 to 5,970,775 in fiscal year 2012-13.

In addition to the projected, and assumed, new revenues, the 2012-13 Proposed State Budget proposes (i) a series of rebenchings of the Proposition 98 guarantee, which rebenchings are projected to provide for \$373 million of State general fund savings, (ii) a Proposition 98 general fund reduction of \$171 million to special education and community college apportionments in fiscal year 2011-12 to offset the increased property taxes resulting from the

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elimination of redevelopment agencies, and (iii) an increase of more than \$2.3 billion in Proposition 98 general fund to reduce inter-year budgetary deferrals for school districts and community colleges.

Certain major workload adjustments for K-12 programs included in the 2012-13 Proposed State Budget include the following:

- Cost-of-Living Adjustment Increases. The 2012-13 Proposed State Budget does not provide a cost-of-living-adjustment (“COLA”) for any K-14 program in fiscal year 2012-13. The projected COLA for fiscal year 2012-13 is 3.17%, which would have provided a \$1.8 billion increase to the extent Proposition 98 resources were sufficient to provide that adjustment.
- Local Property Tax Adjustment. An increase of \$196 million for school district and county office of education revenue limits in fiscal year 2011-12 as a result of lower offsetting property tax revenues, and an increase of \$627 million for school district and county office of education revenue limits in fiscal year 2012-13 as a result of reduced offsetting property tax revenues.
- Average Daily Attendance. A decrease of \$694 million in fiscal year 2011-12 for school district and county office of education revenue limits as a result of a decrease in projected A.D.A. from the 2011-12 State Budget, and an increase of \$158 million in fiscal year 2012-13 for school district and county office of education revenue limits as a result of projected growth in A.D.A. for fiscal year 2012-13.
- K-14 Mandates Funding. An increase of \$110.1 million to support a new block grant program for K-14 mandates. The 2012-13 Proposed State Budget provides a total of \$200 million to fund a mandates block grant incentive program for K-14, while eliminating almost half of the current K-14 mandates. Incentives are created for schools to continue to comply with remaining previously mandated activities.
- Redevelopment Agency Elimination. An increase of \$1.1 billion in offsetting local property taxes for fiscal year 2012-13 due to the elimination of redevelopment agencies.
- Unemployment Insurance. An increase of \$21.8 million in fiscal year 2012-13 to fully fund the additional costs of unemployment insurance for local school districts and county offices of education.
- Charter Schools. An increase of \$50.3 million in Proposition 98 general fund for charter school categorical programs due to charter school growth. The 2012-13 Proposed State Budget proposes to improve in general the operational and financial playing field for charter schools through a series of changes.
- Reduce Child Care Costs. A decrease of \$446.9 million in non-Proposition 98 general fund and \$69.9 million in Proposition 98 general fund to State Department of Education child care programs to reflect changes to reimbursement rates, and to reflect the alignment of eligibility for low-income working family child care services with federal welfare-to-work work participation requirements.
- Transitional Kindergarten. A decrease of \$223.7 million Proposition 98 general fund to reflect the elimination of the requirement that schools provide transitional kindergarten instruction beginning in the 2012-13 academic year. These savings will be used to support existing education programs.
- Child Nutrition Program. A decrease of \$10.4 million in non-Proposition 98 general fund in fiscal year 2012-13 to reflect the elimination of supplemental reimbursement for free and reduced-price breakfast and lunch served at private schools and private child care centers. And an increase of \$37.2 million for fiscal year 2012-13 in State Department of Education federal local assistance funds to reflect growth of nutrition programs at schools and other participating agencies.

In addition, the 2012-13 Proposed State Budget proposes a new weighted pupil funding formula that will provide significant and permanent additional flexibility to school districts by consolidating the vast majority of categorical programs (excluding federally required programs such as special education) and revenue limit funding into a single source of funding. The formula will distribute these combined resources to school based on weighted factors that account for the variability in costs of educating specific student populations, thereby ensuring that funding will continue to be targeted to schools with large populations of disadvantaged pupils. The formula will be phased in over a period of five years. The programs that will be replaced by the new formula will immediately be made completely flexible for use in supporting any locally determined education purpose. The 2012-13 Proposed State Budget also adds a system of accountability measures that will be the basis for evaluating and rewarding school performance under this new finance model, which includes the current quantitative, test-based accountability measures and locally developed assessments and qualitative measures.

The complete 2012-13 Proposed State Budget is available from the California Department of Finance website at www.dof.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

LAO Overview of 2012-13 Proposed State Budget. The Legislative Analyst's Office ("LAO"), a nonpartisan State office which provides fiscal and policy information and advice to the State Legislature, released its report on the 2012-13 Proposed State Budget entitled "The 2012-13 Budget: Overview of the Governor's Budget" on January 11, 2012 (the "2012-13 Budget Overview") in which the LAO disagreed with the \$9.2 billion budget gap estimated by the 2012-13 Proposed State Budget and projected a \$12.8 billion budget gap, a \$3.6 billion difference. This difference is mainly due to the different forecasts of personal income tax revenues, particularly for high-income tax filers. If the LAO's estimates are closer to the target than that in the 2012-13 Proposed State Budget, the State Legislature would have to pursue billions of dollars more in budget-balancing solutions. Further, the 2012-13 Budget Overview recognizes that the State's budget is already dependent on volatile income tax payments by the State's wealthiest individuals and raises concern that the 2012-13 Proposed State Budget is centered on the plan to have these wealthiest individuals pay more taxes, making the State more dependent on this uncertain revenue source.

In the 2012-13 Budget Overview, although the LAO disagrees with the projections provided by the 2012-13 Proposed State Budget, the LAO does agree that the 2012-13 Proposed State Budget, whether with the Governor's proposed tax initiatives or with the trigger package of cuts, would move the State's budget closer to balance over the next several years. The 2012-13 Budget Overview recommends the State Legislature adopt the basic restructuring approaches to the K-12 finance system, community college categorical funding model and education mandate system included in the 2012-13 Proposed State Budget regardless of the State's revenue situation, albeit with a few modifications to specific proposals such as the amount of mandates block grant funding provided or the specific mix of mandated programs that are eliminated versus made discretionary. The 2012-13 Budget Overview also recommends that the State Legislature adopt the proposal in the 2012-13 Proposed State Budget to avoid initiating major new programs beginning in fiscal year 2012-13, such as the transitional kindergarten program. While the 2012-13 Budget Overview finds that there are advantages to the proposed changes and reductions for CalWORKs and subsidized child care, it recognizes that there are potential trade-offs such as the negative impact on many of the State's low-income families.

The LAO believes that the Proposition 98 proposal in the 2012-13 Proposed State Budget generates significant uncertainty for schools districts as it is based upon revenues that would not materialize until midyear with a severe trigger package of cuts in case such revenues, dependent on the Governor's proposed tax initiatives, ultimately do not materialize. Such a scenario, according to the 2012-13 Budget Overview, would force school districts to adopt budgets assuming the \$2.4 billion in programmatic cuts and implement adjustments and reductions that the 2012-13 Proposed State Budget sought to avoid. In contrast, school districts that build budgets assuming the tax initiatives would be adopted could face very difficult midyear fiscal situations if the projected revenues do not materialize. The 2012-13 Budget Overview provides that the State Legislature should consider the unintended consequences of the trigger approach in the 2012-13 Proposed State Budget and be very deliberate in structuring a trigger package, as it in essence would determine the size and quality of the State's K-14 education program in fiscal year 2012-13. The LAO recommends that the State Legislature be cautious when considering the size of the trigger

reduction, determining the specific K-14 reductions to impose in advance and designing tools to help school districts respond given the constraints they face in making midyear adjustments.

The 2012-13 Budget Overview is available on the LAO website at www.lao.ca.gov. The District can take no responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by such reference.

Changes in State Budget. The final fiscal year 2012-13 State budget, which requires approval by a majority vote of each house of the State Legislature, may differ substantially from the Governor's budget proposals. Accordingly, the District cannot predict the impact that the 2012-13 Proposed State Budget, or subsequent budgets, will have on its finances and operations. The final fiscal year 2012-13 State budget will be affected by national and State economic conditions and other factors which the District cannot predict.

State Cash Management Legislation. On March 1, 2010, the Governor signed a bill (and on March 4, 2010, subsequently signed a clean-up bill to clarify certain provisions of such bill) to provide additional cash management flexibility to State fiscal officials (the "Cash Management Bill"). The Cash Management Bill authorized deferral of certain payments during the 2010-11 fiscal year for school districts (not to exceed \$2.5 billion in the aggregate at any one time, and a maximum of three deferrals during the fiscal year). Similar legislation has been enacted for fiscal year 2011-12. The legislation, sets forth a specific deferral plan for K-12 education payments. In the legislation, both the July 2011 and August 2011 K-12 payments of \$1.4 billion are deferred and the October 2011 payment of \$2.4 billion is deferred. In September 2011, \$700 million of the July deferral is to be paid, in January 2012, \$4.5 billion from the remaining July, August and October deferrals are paid, and in March 2012, \$1.4 billion is to be deferred and paid in April 2012. The District is authorized to temporarily borrow from among its other funds to cover its annual cash flow deficits and, as a result of this legislation, the District expects to increase the size of its cash flow borrowings in fiscal year 2011-12.

Dissolution of Redevelopment Agencies. The adopted State budget for fiscal 2011-12, as signed by the Governor of the State on June 30, 2011, included as trailer bills Assembly Bill No. 26 (First Extraordinary Session) ("AB1X 26") and Assembly Bill No. 27 (First Extraordinary Session) ("AB1X 27"), which the Governor signed on June 29, 2011. AB1X 26 suspended most redevelopment agency activities and prohibited redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts after June 29, 2011. AB1X 26 dissolves all redevelopment agencies in existence and designates "successor agencies" and "oversight boards" to satisfy "enforceable obligations" of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. Certain provisions of AB1X 26 are described further below. As signed by the Governor, AB1X 27 would have allowed a redevelopment agency to continue to exist, notwithstanding AB1X 26, upon the enactment by the city or county that created the redevelopment agency of an ordinance to comply with AB1X 27's provisions and the satisfaction of certain other conditions.

In July of 2011, various parties filed an action before the Supreme Court of the State of California (the "Court") challenging the validity of AB1X 26 and AB1X 27 on various grounds (California Redevelopment Association v. Matosantos). The Court subsequently stayed the implementation of a portion of AB1X 26 and all of AB1X 27 pending its decision in Matosantos. On December 29, 2011, the Court rendered its decision in Matosantos upholding virtually all of AB1X 26 and invalidating AB1X 27. In its decision, the Court also modified various deadlines for the implementation of AB1X 26. The deadlines for implementation of AB1X 26 below take into account the modifications made by the Court in Matosantos.

After Matosantos, AB1X 26 continues to suspend most redevelopment agency activities and continues to prohibit redevelopment agencies from incurring indebtedness, making loans or grants, or entering into contracts. On February 1, 2012, when redevelopment agencies are dissolved, AB1X 26 requires redevelopment agencies to continue to make scheduled payments on and perform obligations required under its "enforceable obligations." For this purpose, AB1X 26 defines "enforceable obligations" to include "bonds, including the required debt service, reserve set-asides, and any other payments required under the indenture or similar documents governing the issuance of outstanding bonds of the former redevelopment agency" and "any legally binding and enforceable agreement or contract that is not otherwise void as violating the debt limit or public policy." AB1X 26 specifies that only payments included on an "enforceable obligation payment schedule" adopted by a redevelopment agency shall be made by a redevelopment agency until its dissolution.

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On February 1, 2012, and pursuant to Matosantos, AB1X 26 dissolved all redevelopment agencies in existence and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies. With limited exceptions, all assets, properties, contracts, leases, records, buildings and equipment, including cash and cash equivalents of a former redevelopment agency will be transferred to the control of the successor agency and, unless otherwise required pursuant to the terms of an enforceable obligation, distributed to various taxing agencies pursuant to AB1X 26.

AB1X 26 requires each successor agency to continue to make payments on enforceable obligations of the former redevelopment agencies. However, until a successor agency adopts a “recognized obligation payment schedule” the only payments permitted to be made are payments on enforceable obligations included on an enforceable obligation payment schedule. The initial enforceable obligation payment schedule will be the enforceable obligation payment schedule adopted by the former redevelopment agency. A successor agency may amend the enforceable obligation payment schedule at any public meeting, subject to the approval of its oversight board.

Under AB1X 26, commencing February 1, 2012, property taxes that would have been allocated to each redevelopment agency if the agencies had not been dissolved will instead be deposited in a “redevelopment property tax trust fund” created for each former redevelopment agency by the related county auditor-controller and held and administered by the related county auditor-controller as provided in AB1X 26. AB1X 26 generally requires each county auditor-controller, on May 16, 2012 and June 1, 2012 and each January 16 and June 1 thereafter, to apply amounts in a related redevelopment property tax trust fund, after deduction of the county auditor-controller’s administrative costs, in the following order of priority:

- To pay pass-through payments to affected taxing entities in the amounts that would have been owed had the former redevelopment agency not been dissolved; provided, however, that if a successor agency determines that insufficient funds will be available to make payments on the recognized obligation payment schedule and the county auditor-controller and State Controller verify such determination, pass-through payments that had previously been subordinated to debt service may be reduced;
- To the former redevelopment agency’s successor agency for payments listed on the successor agency’s recognized obligation payment schedule for the ensuing six-month period;
- To the former redevelopment agency’s successor agency for payment of administrative costs; and
- Any remaining balance to school entities and local taxing agencies.

It is likely that there will be additional legislation proposed and/or enacted to “clean up” various inconsistencies contained in AB1X 26 and there may be additional legislation proposed and/or enacted in the future affecting the current scheme of dissolution and winding up of redevelopment agencies currently contemplated by AB1X 26. No assurances can be given as to the effect of any such future proposed and/or enacted legislation on the Series 2012A Bonds.

Future Budgets and Budgetary Actions. The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State’s ability to fund schools during fiscal year 2011-12 and in future fiscal years. Continued State budget shortfalls in fiscal year 2011-12 and future fiscal years could have a material adverse financial impact on the District.

Prohibitions on Diverting Local Revenues for State Purposes. Beginning in 1992-93, the State satisfied a portion of its Proposition 98 obligations by shifting part of the property tax revenues otherwise belonging to cities, counties, special districts, and redevelopment agencies, to school and college districts through a local Educational Revenue Augmentation Fund (ERAF) in each county. Local agencies, objecting to invasions of their local revenues

by the State, sponsored a statewide ballot initiative intended to eliminate the practice. In response, the Legislature proposed an amendment to the State Constitution, which the State's voters approved as Proposition 1A at the November 2004 election. That measure was generally superseded by the passage of a new initiative constitutional amendment at the November 2010 election, known as "Proposition 22."

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

Prior to the passage of Proposition 22, the State invoked Proposition 1A to divert \$1.935 billion in local property tax revenues in Fiscal Year 2009-10 from cities, counties, and special districts to the State to offset State general fund spending for education and other programs, and included another diversion in the adopted 2009-10 State budget of \$1.7 billion in local property tax revenues from local redevelopment agencies. The California Redevelopment Association (CRA) and several local redevelopment agencies sued the State over this latter diversion, and the lawsuit was decided against the redevelopment agencies on May 1, 2010.

Passage of Proposition 22 (and of Proposition 1A before it) will generally have the effect of constricting State funding for education by reducing the State's options for enhancing its revenues.

Allocation of State Funding to School Districts. Under Education Code Section 42238 and following, each school district is determined to have a target funding level: a "base revenue limit" per student multiplied by the district's student enrollment measured in units of average daily attendance ("A.D.A."). The base revenue limit is calculated from the district's prior-year funding level, as adjusted for a number of factors, such as inflation, special or increased instructional needs and costs, employee retirement costs, especially low enrollment, increased pupil transportation costs, etc. Generally, the amount of State funding allocated to each school district is the amount needed to reach that district's base revenue limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State "equalization aid." To the extent local tax revenues increase due to growth in local property assessed valuation, the additional revenue is offset by a decline in the State's contribution.

Enrollment 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 enrollment will cause a school district to lose operating revenues, without necessarily permitting the district to make adjustments in fixed operating costs.

Enrollment

Enrollment in the District has increased by 14.6% over the past ten years. The following table shows an eight-year history of enrollment for the District based on the California Basic Educational Data System’s (CBEDS) October count in each school year.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
7-12 Student Enrollment
Fiscal 2004-05 through 2011-12**

<u>Year</u>	<u>CBED Enrollment</u>	<u>Annual Change</u>	<u>Annual % Change</u>
2004-05	11,935	–	–
2005-06	12,190	255	2.1%
2006-07	12,375	185	1.5
2007-08	12,482	107	0.9
2008-09	12,606	124	1.0
2009-10	12,661	55	0.4
2010-11	12,499	(162)	(1.3)
2011-12*	12,448	(51)	(0.4)

* Estimate from the District’s Fiscal Year 2011-12 adopted budget.
Source: California Department of Education.

The following table shows the District’s A.D.A. and the deficated revenue limit per A.D.A. for the most recent seven years and a projection for the current year.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Average Daily Attendance and Base Revenue Limit
Fiscal Years 2004-05 through 2011-12**

<u>Fiscal Year</u>	<u>Average Daily Attendance⁽¹⁾</u>	<u>Annual Change in A.D.A.</u>	<u>Base Revenue Limit per A.D.A.⁽²⁾</u>
2004-05	11,524	–	\$5,532.98
2005-06	11,739	1.87%	5,844.55
2006-07	11,961	1.89	6,350.08
2007-08	12,022	0.51	6,640.08
2008-09	12,075	0.44	7,019.08
2009-10	12,140	0.54	7,319.08
2010-11	11,923	(1.78)	7,298.46
2011-12 ⁽²⁾	11,898	(0.20)	7,506.77

Note: All amounts are rounded to the nearest whole number.

⁽¹⁾ Average daily attendance for the second period of attendance, typically in mid-April of each school year. Data for fiscal year 1998-99 and thereafter are based on state legislation which reconfigured Average Daily Attendance to represent actual attendance without regard to excused absences.

⁽²⁾ Figures are projections.

Source: The District.

In its fiscal year 2011-12 budget, the District projects that it will receive approximately \$78 million in property tax revenues in fiscal year 2011-12, or approximately 80.6% of its general fund revenues. This amount represents an increase of 0.5% from the \$77.5 million that the District received in fiscal year 2010-11. State funds for special programs are budgeted to be \$5.9 million for fiscal year 2011-12. This amount includes a small portion from State Lottery funds, which may not be used for non-instructional purposes, such as the acquisition of real property or the construction of facilities. School districts receive lottery funds proportional to their total A.D.A.

The District's State lottery revenue was \$1.5 million in fiscal year 2010-11 and is projected at approximately \$1.3 million for fiscal year 2011-12. See “– State Funding of Education; State Budget Process” above.

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 adopted budget and budgeted A.D.A. 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 2011-12 or beyond. Certain adjustments will have to be made throughout the year based on actual State funding and actual attendance.

Local Sources of Education Funding

The principal component of local revenues is a school district's property tax revenues, i.e., each district's share of the local one percent property tax, received pursuant to Sections 75 and following and Sections 95 and following of the California Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in State aid. The more local property taxes a district receives, the less State aid it is entitled to; ultimately, a school district whose local property tax revenues exceed its base revenue limit is entitled to receive no State 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 are known as “basic aid districts.” Districts that receive some State aid are commonly referred to as “revenue limit districts.”

The District is a basic aid district. The District's deficated base revenue limit per A.D.A. is budgeted to be \$7,462.65 for Fiscal Year 2011-12, resulting in total base revenue limit income of \$72.7 million for Fiscal Year 2011-12. Local general property tax revenues, meanwhile, are expected to be \$77.9 million, providing in excess of 100% of the District's total base revenue limit. Therefore, for Fiscal Year 2011-12, the District has budgeted to receive no equalization aid. The County is a “Teeter Plan” county, which means that the District is made whole for any delinquencies in payment of property taxes by local property owners. Property tax levy and collection procedures (including the Teeter Plan) are discussed herein under the section “LOCAL PROPERTY TAXATION – TAX LEVIES, COLLECTIONS AND DELINQUENCIES.” For a discussion of legal limitations on the ability of the District to raise revenues through local property taxes, see “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS” below.

Changes in local property tax income and student enrollment (A.D.A.) affect revenue limit districts and basic aid districts differently. In a revenue limit district, increasing enrollment increases the total revenue limit and thus generally increases a district's entitlement to State equalization aid, assuming property tax revenues are unchanged. Operating costs increase disproportionately slowly—and only at the point where additional teachers and classroom facilities are needed. Declining enrollment has the reverse effect on revenue limit districts, generally resulting in a loss of State equalization aid, while operating costs decrease slowly and only when, for example, the district decides to lay off teachers or close schools. Enrollment can fluctuate due to factors such as population growth, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. In basic aid districts, the opposite is generally true: increasing enrollment does increase the revenue limit, but since all revenue limit income (and more) is already generated by local property taxes, there is no increase in State income. Meanwhile, as new students impose increased operating costs, the fixed property tax income is stretched further. Declining enrollment does not reduce property tax income, and has a negligible impact on State aid, but eventually reduces operating costs, and thus is financially beneficial to a basic aid district. Accordingly, the District has undertaken measures to ensure that only residents and other authorized students are enrolled at District schools.

Local Property Taxation

General. Taxable property located in the District has a 2011-12 assessed value of \$47,986,931,349. All taxable property is assessed using full cash value as defined by Article XIII A of the State Constitution. State law provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions. State law also exempts from taxation \$7,000 of the full cash value

of an owner-occupied dwelling provided that the owner files for such exemption. This exemption does not result in any loss of revenue to local agencies, since the State reimburses local agencies for the value of the exemptions.

The assessment of all property and levy and collection of local property taxes is required to be performed for the District by the County. District property taxes are assessed and collected by the County at the same time and on the same rolls as county, special district, and city property taxes. The valuation of secured property and a statutory tax lien is established as of January 1 and is subsequently equalized in August of each year. The resulting secured property tax is payable in two equal installments due November 1 and February 1, and payments become delinquent on December 10 and April 10, respectively. Taxes on unsecured property (personal property and leasehold) are due on August 31 of each year. Taxes on unsecured property are levied at the preceding fiscal year's tax rate and become delinquent on October 31.

Future assessed valuation growth allowed under Article XIII A (as a result of new construction, certain changes of ownership, and increases in the cost of living of up to 2% per year) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts will share the growth of "base" revenues from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in an agency tax base is affected by the existence or establishment of redevelopment agencies which, under certain circumstances, may be entitled to such revenues.

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

Under California law, a city or county could, and did, prior to recent California legislation dissolving redevelopment agencies, create a redevelopment agency in territory within one or more school districts. Upon formation of a "project area" of a redevelopment agency, most property tax revenues attributable to the growth in assessed value of taxable property within the project area (known as "tax increment") belong to the redevelopment agency, causing a loss of general fund tax revenues (relating to the 1% countywide general fund levy) to other local taxing agencies, including school districts, from that time forward. However, special *ad valorem* property taxes (in excess of the 1% general fund levy) collected for payment of debt service on school bonds are based on assessed valuation before reduction for redevelopment increment and such special *ad valorem* property taxes are not affected or diverted by the operation of a redevelopment agency project area. The application of such revenues diverted by redevelopment agencies is now substantially limited to meeting existing debt service of the redevelopment agencies. For more information on the dissolution of redevelopment agencies, see "DISTRICT FINANCIAL AND OPERATING INFORMATION – State Funding of Education; State Budget Process – *Dissolution of Redevelopment Agencies*" above.

As to operating revenues, any loss of local property taxes that contribute to the revenue limit target of a revenue limit district is made up by an increase in State equalization aid, until the base revenue limit is reached. "Pass-through" payments of local tax revenues required by law to be paid to the school district by a local redevelopment agency will count toward the revenue limit, except for any portion dedicated to capital facilities or deferred maintenance.

For basic aid districts, the State will not make the district whole for loss of tax increment to the redevelopment agency unless and only to the extent that such loss reduces the district's local property tax revenues below the district's revenue limit. In addition, the basic aid district may be entitled to a pass-through payment from the redevelopment agency: for any redevelopment project plan adopted or amended after 1993, a basic aid district is entitled to its pre-plan share of taxes collected district-wide, plus the lesser of (i) property tax revenues from the incremental growth in assessed valuation in that part of the district not included in the project area, and (ii) property tax revenues on 80% of the incremental growth in assessed valuation within the project area. For any redevelopment plan adopted before 1994 and not subsequently amended, either a revenue limit district or a basic aid district may continue to receive pass-through payments at the level negotiated with the redevelopment agency

instead of the statutory pass-through; such payments do not count against the district’s revenue limit for State aid purposes, but must generally be used for capital facilities improvements. The District receives tax-increment pass-through payments from the former Solana Beach Redevelopment Project. See “Redevelopment Payments” herein,

State-Assessed Property. Under the State Constitution, the State Board of Equalization assesses property of State-regulated transportation and communications utilities, including railways, telephone and telegraph companies, and companies transmitting or selling gas or electricity. The Board of Equalization also is required to assess pipelines, flumes, canals and aqueducts lying within two or more counties. The value of property assessed by the Board of Equalization is allocated by a formula to local jurisdictions in the county, including school districts, and taxed by the local county tax officials in the same manner as for locally assessed property. Taxes on privately owned railway cars, however, are levied and collected directly by the Board of Equalization. Property used in the generation of electricity by a company that does not also transmit or sell that electricity is taxed locally instead of by the Board of Equalization. Thus, the reorganization of regulated utilities and the transfer of electricity-generating property to non-utility companies, as often occurred under electric power deregulation in the State, 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. So long as the District is a “revenue limit district,” any reduction in the District’s property tax revenues for general operating purposes will be offset by an increase in State funding.

Assessed Valuation of Property Within District. Shown in the following table are the assessed valuations of property in the District for fiscal years 2005-06 through 2011-12.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Assessed Valuations
Fiscal Years 2005–06 through 2011-12

Fiscal Year	Local Secured	Utility	Unsecured	Total
2005-06	\$ 36,414,272,677	\$ 14,787,293	\$ 436,341,120	\$ 36,865,401,090
2006-07	40,368,051,922	14,403,645	454,281,978	40,836,737,545
2007-08	44,063,521,878	8,732,983	508,226,447	44,580,481,308
2008-09	47,017,777,341	0	523,898,857	47,541,676,198
2009-10	47,622,252,375	0	511,644,705	48,133,897,080
2010-11	47,112,545,585	0	465,371,780	47,577,917,365
2011-12	47,530,327,546	0	456,603,803	47,986,931,349

Source: California Municipal Statistics, Inc.

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Largest Taxpayers in District. The 20 largest taxpayers in the District, ranked by aggregate assessed value of taxable property, as shown on the 2011-12 secured tax roll, and the amount of each owner’s assessed valuation for all taxing jurisdictions within the District, are shown below.

The more property (by assessed value) owned by a single taxpayer, the more tax collections are exposed to weakness in the taxpayer’s financial situation and ability or willingness to pay property taxes. In 2011-12, no single taxpayer owned more than [___]% of the total taxable property in the District.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Twenty Largest
Fiscal Year 2011-12 Local Secured Taxpayers**

Property Owner	Primary Land Use	2011-12 Assessed Valuation	% of Total ⁽¹⁾
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⁽¹⁾ 2011-12 Local Secured Assessed Valuation: \$47,530,327,546.
Source: California Municipal Statistics, Inc.

Assessed Valuation by Land Use. The following table gives a distribution of taxable property located in the District on the fiscal year 2011-12 tax roll by principal purpose for which the land is used, and the assessed valuation and number of parcels for each use.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Assessed Valuation and Parcels by Land Use
Fiscal Year 2011-12**

[To Come]

Source: California Municipal Statistics, Inc.

Assessed Valuation of Single Family Homes. The following table shows the assessed valuation of single family homes located in the District for fiscal year 2011-12.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Per Parcel 2011-12 Assessed Valuation of Single Family Homes**

[To Come]

Source: California Municipal Statistics, Inc.

Tax Rates. The following table summarizes the total *ad valorem* property tax rates levied by all taxing entities for the last several years in the tax rate area (“TRA”) of the District: TRA 8-119.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Typical Tax Rate per \$100 Assessed Valuation
Fiscal Years 2007-08 Through 2011-12**

	2007-08	2008-09	2009-10	2010-11	2011-12
General	1.00000	1.00000	1.00000	1.00000	1.00000
City of San Diego	.00619	.00608	.00613	.00616	.00500
Metropolitan Water District	.00450	.00430	.00430	.00370	.00370
Total	1.01069	1.01038	1.01043	1.00986	1.00870

Source: California Municipal Statistics, Inc.

Tax Collections and Delinquencies. A school district’s share of the 1% countywide tax is based on the actual allocation of property tax revenues to each taxing jurisdiction in the county in fiscal year 1978-79, as adjusted according to a complex web of statutory modifications enacted since that time. Revenues derived from special *ad valorem* taxes for voter-approved indebtedness are reserved to the taxing jurisdiction that approved and issued the debt, and may only be used to repay that debt.

The county treasurer prepares the property tax bills. Property taxes on the regular secured assessment roll are due in two equal installments: the first installment is due on November 1, and becomes delinquent after December 10. The second installment is due on February 1 and becomes delinquent after April 10. If taxes are not paid by the delinquent date, a ten percent penalty attaches. If taxes remain unpaid by June 30, the tax is deemed to be in default. Penalties then begin to accrue at the rate of 1.5% per month. The property owner has the right to redeem the property by paying the taxes, accrued penalties, and costs within five years of the date the property went into default. If the property is not redeemed within five years, it is subject to sale at a public auction by the county treasurer.

Annual bills for property taxes on the unsecured roll are generally issued in July, are due in a single payment within 30 days, and become delinquent after August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue on November 1. To collect unpaid taxes, the county treasurer may obtain a judgment lien upon and cause the sale of all property owned by the taxpayer in the county, and may seize and sell personal property, improvements and possessory interests of the taxpayer. The county treasurer may also bring a civil suit against the taxpayer for payment.

The date on which taxes on supplemental assessments are due depends on when the supplemental tax bill is mailed.

The County secured roll tax charges with respect to property located in the District for the five year period from 2004-05 through 2010-11 are set forth in the following table.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Secured Tax Charges ⁽¹⁾
Fiscal Years 2004-05 Through 2010-11

Fiscal Year	Secured Tax Charge ⁽²⁾
2004-05	\$52,185,359.22
2005-06	58,415,112.41
2006-07	64,996,262.61
2007-08	71,278,013.63
2008-09	75,871,930.52
2009-10	76,419,860.66
2010-11	75,149,869.28

⁽¹⁾ The County utilizes the Teeter Plan (defined below) for assessment levy and distribution. This method guarantees distribution of 100% of the assessments levied to the taxing entity, with the County retaining all penalties and interest.

⁽²⁾ 1% General Fund apportionment.

Source: California Municipal Statistics, Inc.

San Diego County utilizes the Teeter Plan (defined below) for assessment levy and distribution and, therefore, does not provide real property tax delinquencies information for the District. This method guarantees distribution of 100% of the assessments levied to the participating taxing agency, with the County retaining all penalties. See “– Teeter Plan” below.

Teeter Plan. The County has adopted the alternative method of secured property tax apportionment available under Chapter 3, Part 8, Division 1 (commencing Section 4701) of the California Revenue and Taxation Code (also known as the “Teeter Plan”). This alternative method provides for funding each taxing entity included in the Teeter Plan with its total secured property taxes during the year the taxes are levied, including any amount uncollected at fiscal year end. Under the Teeter Plan, the County assumes an obligation under a debenture or similar demand obligation to advance funds to cover expected delinquencies, and, by such financing, its general fund receives the full amount of secured property taxes levied each year and, therefore, no longer experiences delinquent taxes. In addition, the County’s general fund benefits from future collections of penalties and interest on all delinquent taxes collected on behalf of participants in this alternative method of apportionment.

Upon adopting the Teeter Plan, the County was required to distribute to participating local agencies, 95% of the then-accumulated, secured roll property tax delinquencies and to place the remain 5% in a tax losses reserve fund. Taxing entities that maintain funds in the County Treasury are all included in the Teeter Plan; other taxing entities may elect to be included in the Teeter Plan. Taxing entities that do not elect to participate in the Teeter Plan will be paid as taxes are collected. Since the District maintains funds in the County Treasury, the District is included in the Teeter Plan.

Once adopted, a county’s Teeter Plan will remain in effect in perpetuity unless the board of supervisors orders its discontinuance or unless prior to the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating agencies in the county. An electing county may, however, opt to discontinue the Teeter Plan with respect to any levying agency in the county if the board of supervisors, by action taken not later than July 15 of a fiscal year, elects to discontinue the procedure with respect to such levying agency and the rate of secured tax delinquencies in that agency in any year exceeds 3% of the total of all taxes and assessments levied on the secured roll by that agency. The County has never discontinued the Teeter Plan with respect to any levying agency.

Developer Fees

The District collects developer fees to finance essential school facilities within the District. The following table of developer fee revenues reflects the collection of fees from fiscal year 2005-06 through fiscal year 2011-12.

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Developer Fees
Fiscal Years 2005-06 to 2011-12**

Year	Total Revenues
2005-06	\$1,286,870
2006-07	844,482
2007-08	725,045
2008-09	641,754
2009-10	422,001
2010-11	466,485
2011-12 ⁽¹⁾	480,000

⁽¹⁾ Estimated.
Source: The District.

Redevelopment Payments

The former Solana Beach Redevelopment Project is the only redevelopment project area located in the District. In fiscal year 2010-11, the District received \$26,981 in revenue from the Solana Beach Redevelopment Agency as a pass-through payment to the District. For fiscal year 2011-12, the District has budgeted approximately \$26,711 to be received from the Solana Beach Redevelopment Agency. In future years, the District cannot predict amounts it may receive from the redevelopment property tax trust fund administered by the County auditor.

Significant Accounting Policies and Audited Financial Reports

The State Department of Education imposes by law uniform financial reporting and budgeting requirements for K through 12 school districts. Financial transactions are accounted for in accordance with the Department of Education’s *California School Accounting Manual*. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts, including the District. Significant accounting policies followed by the District are explained in Note 1 to the District’s audited financial statements for the fiscal year ended June 30, 2011, which are included as APPENDIX B. Independently audited financial reports are prepared annually in conformity with generally accepted accounting principles for educational institutions. The annual audit report is generally available about six months after the June 30 close of each fiscal year.

The following tables contain District general fund data abstracted from financial statements prepared by the District’s independent auditor Wilkinson Hadley King & Co. LLP, Certified Public Accountants & Advisors, El Cajon, California, for fiscal year 2005–06 through fiscal year 2011-12. The District’s auditor has not been requested to consent to the use or to the inclusion of its report in this Official Statement, and it has neither audited nor reviewed this Official Statement. The District is required by law to adopt its financial statements after a public meeting to be conducted no later than January 31 following the close of each fiscal year.

The District categorizes its general fund revenues into four sources: (i) revenue limit sources, (ii) federal revenues, (iii) other State revenues, and (iv) other local revenues. Each of these revenue sources is described below:

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Revenue Limit Sources. In general, revenue limits are calculated for each school district by multiplying (i) the A.D.A. for such district by (ii) the school district's base revenue limit per unit of A.D.A. The base revenue limit is 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, declining enrollment, etc. Funding of the District's revenue limit is provided by a mix of local property taxes and State aid. As a basic aid district in 2011-12, the revenue limit sources consisted of local property taxes only. Revenue limit revenues comprised approximately 80.5% of the District's general fund revenues in 2011-12.

Federal Revenues. The federal government provides funding for several District programs, including special education programs, programs under The No Child Left Behind Act (NCLB) of 2001 (PL 107-110), and specialized programs such as nutrition education and Indian education. The federal revenues, most of which are restricted, comprised approximately 5.5% of the District's general fund revenues in 2011-12.

Other State Revenues. As discussed above, the District receives State apportionment of aid in an amount equal to the difference between the District's revenue limit and its property tax revenues. In addition to such apportionment revenue, the District receives substantial other State revenues. These other State revenues are primarily restricted revenues funding items such as the Special Education Master Plan, Instructional Materials and various Block Grants. The other State revenues comprised approximately 6.1% of the District's general fund revenues in 2011-12.

The District receives revenue from the California State Lottery (the "Lottery"), which was established by a constitutional amendment approved in the November 1984 general election. Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes such as real property acquisition, facility construction, or the financing of research.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as interest earnings and other local sources. Other local revenues comprised approximately 7.9% of the District's general fund revenues in 2011-12.

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SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Statement of General Fund Revenues, Expenditures and Changes in Fund Balance
Fiscal Years 2006-07 through 2010-11

	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11
Revenues:					
Revenue Limit Sources:					
State Apportionment	\$13,487,498	\$11,486,832	\$(71,461)	\$(25,567)	\$(22,844)
Local Sources	63,681,897	69,469,850	81,657,153	79,555,036	77,547,264
Federal Revenue	2,786,914	2,685,128	7,431,217	2,831,138	6,387,085
Other State Revenue	13,202,260	9,652,123	7,235,432	5,933,931	5,146,872
Other Local Revenue	11,096,120	9,729,422	9,727,849	9,277,607	9,290,931
Total Revenues	\$104,254,689	\$103,023,355	\$105,980,190	\$97,572,145	\$98,349,308
Expenditures:					
Instruction	\$59,080,175	\$61,944,570	\$59,956,990	\$58,928,997	\$58,599,593
Instruction – Related Services	13,288,818	13,809,501	13,564,005	12,894,850	11,879,099
Pupil Services	10,282,404	9,504,013	9,563,906	9,929,315	9,281,635
Ancillary Services	1,863,087	1,884,089	1,903,711	1,973,844	2,064,691
General Administration	6,061,642	5,380,551	6,141,610	5,581,927	5,436,047
Plant Services	9,735,851	10,058,120	10,175,975	10,050,592	9,844,861
Other Outgo	11,739	289,035	387,246	394,415	875,918
Debt Service:					
Principal	-	-	-		765,588
Interest	-	-	-		819,623
Total Expenditures	\$100,323,716	\$102,869,879	\$101,693,443	\$99,753,940	\$99,866,478
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,930,973	153,476	4,286,747	(2,181,795)	(1,517,170)
Other Financing Sources (Uses):					
Transfers In	\$1,313,606	\$533,154	\$75,478	\$1,098,916	\$525,773
Transfers Out	(2,837,291)	(736,780)	(118,943)	(1,112,191)	(208,584)
Proceeds from Sale of Bonds	-	-	-		
Other Uses	-	-	-		
Total Other Financing Sources (Uses)	\$(1,523,685)	\$(203,626)	\$(43,465)	\$(13,275)	\$317,189
Net Change in Fund Balance	\$2,407,288	\$(50,150)	\$4,243,282	\$(2,195,070)	\$(1,199,981)
Fund Balance – July 1	10,118,938	12,526,226	12,476,076	18,722,241	18,937,909
Fund Balance – June 30	\$12,526,226	\$12,476,076	\$16,719,358	\$16,527,171	\$17,737,928

Source: District Audited Financial Reports for Fiscal Years 2006-07 through 2010-11.

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The following table shows the general fund balance sheets of the District for the fiscal years 2006-07 through 2010-11.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Summary of General Fund Balance Sheet
as of June 30, 2007 through 2011

	Fiscal Year 2006-07	Fiscal Year 2007-08	Fiscal Year 2008-09	Fiscal Year 2009-10	Fiscal Year 2010-11
ASSETS					
Cash in County Treasury	\$8,144,669	\$9,096,112	\$21,173,432	\$15,827,293	\$16,147,365
Cash on Hand and in Banks	-	-	-	35,695	-
Cash in Revolving Fund	30,000	30,000	30,000	50,020	181,451
Cash with Fiscal Agent/Trustee	-	-	-	-	-
Accounts Receivable	6,092,329	4,983,304	4,237,951	4,317,272	4,029,735
Due from other funds	231,804	228,034	259,850	220,931	240,344
Stores inventories	46,403	1,144	884	1,117	817
Prepaid Expenditures	-	-	3,000	-	5,192
Total Assets	<u>\$14,545,205</u>	<u>\$14,305,594</u>	<u>\$25,705,117</u>	<u>\$20,452,328</u>	<u>\$20,604,904</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$1,863,790	\$1,799,518	\$8,330,783	\$3,854,366	\$2,126,022
Due to Other Funds	17	6,393	105,449	4,337	3,525
Deferred Revenue	155,172	23,607	549,527	66,454	737,429
Total Liabilities	<u>\$2,018,979</u>	<u>\$1,829,518</u>	<u>\$8,985,759</u>	<u>\$3,925,157</u>	<u>\$2,866,976</u>
Fund Balance:					
Nonspendable Fund Balances:					
Reserve for Revolving Cash	\$30,000	\$30,000	\$30,000	\$50,020	\$181,451
Reserve for Stores Inventories	46,403	1,144	883	1,117	817
Reserve for All Others	12,449,823	1,375,000	3,000	-	5,192
Restricted Fund Balances	-	-	-	-	631,566
Committed Fund Balances					
Committed for Deferred Maintenance	-	-	-	-	-
Assigned Fund Balances	-	-	-	11,377,174	12,191,995
Unassigned:					
Reserve for Economic Uncertainty	-	-	-	4,739,384	4,503,378
Other Unassigned	-	11,069,932	16,685,475	359,476	223,529
Total Fund Balance	<u>\$12,526,226</u>	<u>\$12,476,076</u>	<u>\$16,719,358</u>	<u>\$16,527,171</u>	<u>\$17,737,928</u>
Total Liabilities and Fund Balances	<u>\$14,545,205</u>	<u>\$14,305,594</u>	<u>\$25,705,117</u>	<u>\$20,452,328</u>	<u>\$20,604,904</u>

Source: District Audited Financial Report for fiscal years 2006-07 through 2010-11.

Budgets

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

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

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

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

A State law adopted in 1991 (known as "A.B. 1200") imposed additional financial reporting requirements on school districts, and established guidelines for emergency State aid apportionments. Under the provisions of A.B. 1200, each school district is required to file interim certifications with the County Superintendent (on December 15, for the period ended October 31, and by mid-March for the period ended January 31) as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent fiscal year. The County Superintendent reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that is deemed unable to meet its financial obligations for the remainder of the fiscal year or subsequent fiscal year. A qualified certification is assigned to any school district that may not meet its financial obligations for the current fiscal year or two subsequent fiscal years. A school district that receives a qualified or negative certification may not issue tax and revenue anticipation notes or Lease revenue bonds without approval by the County Superintendent. The District has never received a qualified or negative certification.

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The following table summarizes the District's projected year-end totals general fund budget for fiscal year 2011-12 and audited actuals for fiscal year 2010-11.

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Revenues, Expenditures and Fund Balances
Fiscal Years 2010-11 and 2011-12

	2010-11 Audited	2011-12 Projected
Revenue/Receipts		
Revenue Limit Sources:		
State Apportionments	\$ (22,844)	\$ (22,848)
Local Sources	77,547,264	77,963,975
Federal Revenue	6,387,085	5,293,696
Other State Revenue	5,146,872	5,865,829
Other Local Revenue	9,290,931	7,665,103
TOTAL	\$98,349,308	\$96,765,765
Expenditures/Disbursements		
Certificated Salaries	\$48,799,613	\$48,567,887
Classified Salaries	16,322,369	16,173,011
Employee Benefits	18,877,001	19,868,859
Books and Supplies	3,690,892	5,246,246
Services/Other Operating Expenditures	9,571,181	10,361,360
Other Outgo	875,918	1,643,239
Direct Support/Indirect Costs	(160,728)	-
Capital Outlay	305,021	106,600
Debt Service		
Principal	765,588	-
Interest	819,623	-
TOTAL	\$99,866,478	\$101,967,202
Excess of Revenues Over/(Under) Expenditures	\$(1,517,170)	\$(5,201,437)
Other Financing Sources/(Uses)		
Transfers In	\$525,773	-
Transfers Out	(208,584)	\$(44,600)
Other Sources	-	-
Other Uses	-	-
TOTAL	\$317,189	\$(44,600)
Net Change in Fund Balance	\$(1,199,981)	\$(5,246,037)
Fund Balance, Beginning	18,937,909	15,311,185
Fund Balance, Ending	\$17,737,928	\$10,109,748

Source: District's audited Financial Statement for fiscal year ended June 30, 2011; fiscal year 2011-12 First Interim Report approved by the District on December 8, 2011.

District Debt

Long-Term Debt Summary. Long-term obligations include debt and other long-term liabilities. The changes in the District’s long-term obligations during fiscal year 2010-11 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Special revenue bonds	\$86,560,000	–	\$1,710,000	\$84,500,000	\$1,780,000
Unamortized discount	(1,457,344)	–	(45,542)	(1,411,802)	–
Lease Revenue Bonds	13,015,000	–	–	13,015,000	–
Unamortized discount	(437,262)	–	(27,329)	(409,933)	–
Net OPEB Obligation	3,042,132	\$1,221,934	–	4,264,066	–
Compensated absences*	1,133,614	–	46,065	1,087,549	1,087,549
State loan payable	3,000,000	–	–	3,000,000	300,000
Total governmental activities	<u>\$104,856,140</u>	<u>\$1,221,934</u>	<u>\$1,683,194</u>	<u>\$104,394,880</u>	<u>\$3,167,549</u>

* Other long-term liabilities.

The funds typically used to liquidate other long-term liabilities in the past are as follows:

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Compensated absences	Governmental	General

Debt service requirements on long-term debt at June 30, 2011 are as follows:

Year Ending June 30,	Governmental Activities		
	Principal	Interest	Total
2012	\$3,167,549	\$4,843,445	\$8,010,994
2013	2,150,000	4,770,845	6,920,845
2014	2,225,000	4,695,345	6,920,345
2015	2,325,000	4,615,970	6,940,970
2016	2,435,000	4,531,645	6,966,645
2017-2021	13,495,000	21,241,366	34,736,366
2022-2026	27,750,000	18,081,281	45,831,281
2027-2031	18,505,000	9,907,800	28,412,800
2032-2036	20,280,000	4,863,000	25,143,000
2037-2041	9,105,000	1,065,139	10,170,139
2041-2042	515,000	12,875	527,875
Totals	<u>\$101,952,549</u>	<u>\$78,628,711</u>	<u>\$180,581,260</u>

Qualified School Construction Bonds. In May 2010, the District entered into a facility lease agreement with the Authority to execute and deliver Lease Revenue Bonds, Series 2010A (Qualified School Construction Bonds - Direct Subsidy) in the amount of \$13,015,000 with an interest rate of 6.46% for various capital projects and public school improvements, including the installation of solar power facilities at La Costa Canyon High School and the Canyon Crest Solar Facility. Through the facility lease, the District is obligated to make semi-annual base revenue payments to a principal account beginning April 2011 and continuing through April 2027. An annual base rental deposit to the principal account of \$2,005,030 was paid in 2011 with remaining base rental deposits of \$1,606,227 due annually thereafter through April 2027. Interest on the lease revenue bonds is to be paid annually from the principal account beginning May 2011 with the entire principal balance of \$13,015,000 on the bonds due at the maturity date of May 1, 2027. Because the Series 2010A Bonds are designated as qualified school construction bonds under Section 54F of the Code, the District receives a direct subsidy from the federal government under Section 6431 of the Code. The District will receive \$736,649 in subsidy payments from the federal government in fiscal year 2011-12.

Tax and Revenue Anticipation Notes. In July 2011, the District entered into the County of San Diego and San Diego County School Districts 2011 Pooled Tax and Revenue Anticipation Notes in the amount of \$16,540,000. The notes mature on April 30, 2012 and bear an interest rate of 2.00%. The notes were sold by the District to supplement the District’s cash flow.

Future Bond Elections. The Board of the District currently evaluating whether to put before the voters a general obligation bond measure on the June 2012 or November 2012 ballot. At a February 2, 2012 board meeting, the Board agreed to hire a financial advisor and underwriter to oversee financial details of a school construction bond. The Board also discussed at the meeting hiring a third firm to conduct a feasibility study, help prepare the ballot measure and organize a public information campaign. Proceeds from the bond measure would be used to renovate campuses and build a middle school. No assurances can be given as to the outcome of any such future proposed bond measure.

Direct and Overlapping Debt

Set forth below is a schedule of direct and overlapping debt prepared by California Municipal Statistics Inc. and effective [_____, 2012] for debt issued as of [_____ 1, 20__]. The table is included for general information purposes only. The District has not reviewed this table for completeness or accuracy and makes no representations in connection therewith. The first column in the table names each public agency which has outstanding debt as of the date of the schedule and whose territory overlaps the District in whole or in part. Column 2 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 column 3, which is the apportionment of each overlapping agency’s outstanding debt to taxable property in the District.

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

**SAN DIEGUITO UNION HIGH SCHOOL DISTRICT
Statement of Direct And Overlapping Bonded Debt
As of [_____, 2012]**

[To Come]

Source: California Municipal Statistics, Inc.

Retirement Programs

The District participates in the State Teachers’ Retirement System (“STRS”). This plan basically covers all full-time certificated and some classified District employees. Each school district is required by statute to contribute 8.25% of eligible employee’s salaries to STRS on a monthly basis. Employees are required to contribute 8% of eligible salary. The State is required to contribute as well. The District’s employer contribution to STRS from the general fund was \$4,427,966 for fiscal year 2010-11 and is projected at \$4,250,529 in fiscal year 2011-12.

The District also participates in the California Public Employees’ Retirement System (“CalPERS”) for all full-time and some part-time classified employees. The District is required to contribute toward CalPERS, at a State-determined percentage of CalPERS-eligible salaries. For fiscal year 2011-12, the contribution percentage is 10.923%. The District’s employer contribution to CalPERS from the general fund was \$1,715,818 for fiscal year 2010-11 and is projected at \$1,717,631 in fiscal year 2011-12.

The District is unable to predict what the amount of State pension liabilities will be in the future, or the amount of the contributions which the District may be required to make. STRS and CalPERS liabilities are more fully described in “APPENDIX B – FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2011,” Note K.

Other Post-Employment Benefits (OPEBs). In addition to the retirement plan benefits with STRS and CalPERS, the District provides certain post retirement healthcare benefits, in accordance with District employment contracts, to certificated, management and administrative employees who chose to continue district-sponsored health care coverage.

Governmental Accounting Standards Board (“GASB”) has recently released its Statement Number 45 (“GASB 45”), which requires accrual accounting for the expensing of other post-employment benefits (“OPEBs”) much like municipalities are required to account for pension benefits. The expense is generally accrued over the working career of employees, rather than on a pay-as-you-go basis, which has been the practice for most municipalities and public sector organizations. OPEBs generally include post-employment health benefits (medical, dental, vision, prescription drug and mental health), life insurance, disability benefits and long term care benefits. The District implemented GASB 45 in Fiscal Year 2007-08. The District has not established an irrevocable trust to prefund its OPEB liability, and no prefunding of benefits has been made by the District. However, the District has determined that it will continue to address its OPEB liability on a pay-as-you-go basis. In Fiscal Year 2010-11 the District contributed \$669,805 for premiums for health care benefits for retirees. For Fiscal year 2011-12 the District budgeted \$715,782 for such purposes.

The Epler Company, San Diego, California, prepared an actuarial valuation of the District’s retiree health insurance benefits and reported that, as of June 30, 2011, the District had an accrued unfunded liability of \$15.2 million. However, as indicated above, the District currently intends to continue on a pay-as-you-go basis and not to pre-fund its OPEB obligations.

Insurance and Joint Ventures

Self Insurance. The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is self-insured through the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority (the “JPA”) which provides workers’ compensation insurance, general liability, property, automobile and other miscellaneous coverage. Under this program the JPA provides coverage through a Workers’ Compensation Fund. The District receives user charges based upon each member’s respective covered payroll. Coverage is provided for workers compensation with \$100,000 per occurrence being self-funded. Costs above the first \$100,000 are covered by an excess insurance policy of up to \$25,000,000. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The District receives property/casualty loss and general liability insurance coverage through the JPA. A \$5,000,000 insurance policy is in effect with a deductible per occurrence of up to \$25,000 and a \$100,000 self-insured retention. The JPA pool covers losses in excess of the self-insured retention up to \$500,000. The nest \$4.5 million is covered by an excess insurance policy through a commercial carrier. The Schools Excess Liability Fund then provides an additional \$20,000,000 of coverage. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Joint Powers Authorities. In addition to the Authority, as noted above the District participates in the San Diego County Schools and Imperial County Schools Risk Management Joint Powers Authority. The relationship between the District and the JPA is such that the JPA is not a component unit of the District for financial reporting purposes. Financial statements for the JPA are available from such entity.

The JPA was created for the purpose of arranging for and providing various types of insurance for its member districts as requested. The JPA is governed by a board consisting of a representative from each member district. The board of the JPA controls the operations of the JPA, including selection of arrangement and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board.

Each member district pays a premium commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the JPA.

San Diego County Treasury Pool

In accordance with Education Code Section 41001, substantially all District operating funds are required to be held by the Treasurer-Tax Collector of the County (the "County Treasurer"). The following information has been provided by the County Treasurer. The District has not independently verified this information and takes no responsibility for the accuracy or completeness thereof. Further information may be obtained from the County Treasurer.

In accordance with Government Code Section 53600 et seq., the County Treasurer manages funds deposited with it by the District. Each county is required to invest such funds in accordance with California Government Code Sections 53601 et seq. In addition, counties are required to establish their own investment policies which may impose limitations beyond those required by the Government Code.

All investments in the County Treasurer's investment portfolio conform to the statutory requirements of Government Code Section 53601 et seq., authorities delegated by the County Board of Supervisors and the County Treasurer's investment policy.

General. Pursuant to a resolution adopted July 8, 1958, the Board of Supervisors delegated to the County Treasurer the authority to invest and reinvest funds of the County. Applicable law limits this delegation of authority to a one-year period and must be renewed annually by action of the Board of Supervisors. In addition to funds of the County (and the various departments in the County, such as Public Works and Public Administration), funds of certain local agencies within the County, including school districts in the County, are required under state law to be deposited into County treasury ("Involuntary Depositors"). In addition, certain agencies, including community college districts, invest certain of their funds in the County treasury on a voluntary basis ("Voluntary Depositors" and together with the Involuntary Depositors, the "Depositors"). Deposits made by the County and the various local agencies are commingled in a pooled investment fund (the "Treasury Pool" or the "Pool"). No particular deposits are segregated for separate investment.

Under State law, Depositors in the Pool are permitted to withdraw funds which they have deposited on 30 days notice. The County does not expect that the Pool will encounter liquidity shortfalls based on its current portfolio and investment guidelines or realize any losses that may be required to be allocated among all Depositors in the Pool.

The County has established an Oversight Committee pursuant to State law. The Oversight Committee consists of members appointed from the County Treasurer-Tax Collector, the County Auditor and Controller, a representative appointed by the Board of Supervisors, the County Superintendent of Schools or his or her designee, a representative selected by a majority of the presiding officers of the governing bodies of the school districts and community college districts in the county, a representative selected by a majority of the presiding officers of the legislative bodies of the special districts in the county that are required or authorized to deposit funds in the County Treasury and up to five other members of the public. The Oversight Committee directs the preparation of an annual audit, which audit may include issues relating to the structure of the investment portfolio and its related risk, to determine the County Treasury's compliance with law.

The Treasury Pool's Portfolio. As of January 31, 2012, the securities in the Treasury Pool had a market value of \$6,626,533,937 and a book value of \$6,605,708,195, for a net unrealized gain of \$20,825,742 of the book value of the Treasury Pool. As of January 31, 2012, the weighted average maturity of the Pool portfolio was approximately 299 days. The effective duration for the Treasury Pool was 0.592 years as of January 31, 2012. "Duration" is a measure of the price volatility of the portfolio and reflects an estimate of the projected increase or decrease in the value of the portfolio based upon a decrease or increase in interest rates. A duration of 0.592 means that for every one percent increase in interest rates the market value of the portfolio would decrease by 0.592%

Standard & Poor's, a Division of The McGraw-Hill Companies, Inc., maintains ratings on the Pool's ability to meet its financial commitments of "AAA" (long-term) and "S1" (short-term volatility). The rating reflects only the view of the rating agency and any explanation of the significance of such rating may be obtained from such rating agency as follows: Standard & Poor's, 55 Water Street, New York, New York 10041.

Investments of the Treasury Pool.

Authorized Investments. Investments of the Pool are placed in those securities authorized by various sections of the California Government Code, which include obligations of the United States Treasury, Agencies of the United States Government, local and State bond issues, bankers acceptances, commercial paper of prime quality, certificates of deposit (both collateralized and negotiable), repurchase and reverse repurchase agreements, medium term corporate notes, shares of beneficial interest in diversified management companies (mutual funds), and asset backed (including mortgage related) and pass-through securities. Generally, investments in repurchase agreements cannot exceed a term of one year and the security underlying the agreement shall be valued at 102% or greater of the funds borrowed against the security. In addition, reverse repurchase agreement generally may not exceed 20% of the base value of the portfolio and the term of the agreement may not exceed 92 days unless the agreement includes a written guarantee of a minimum earning or spread for the entire period of the agreement. The Investment Policy states that the purpose of reverse repurchase agreements is to invest the proceeds from the agreement into permissible securities that have the highest short-term credit rating, to supplement the yield on securities owned by the Pool or to provide funds for the immediate payment of an obligation. The maturity of the reverse repurchase agreement and the maturity of the security purchased shall be the same.

The County from time to time has engaged in securities lending transactions. Generally, these transactions involve the transfer by the governmental entity, through an agent, of securities to certain broker-dealers and financial institutions or other entities in exchange for collateral, and this collateral may be cash or securities. Most commonly, these transactions provide for the simultaneous return of the collateral to the securities borrower upon receipt of the same securities at a later date. Presently, the County has suspended its securities lending transactions program, but may decide to enter into a securities lending agreement in the future. Any such securities lending transactions are considered reverse repurchase agreements under the Investment Policy and, accordingly, the total principal amount of reverse repurchase agreements and securities lending agreements may not exceed 20% of the Pool. Since the inception of the County's securities lending program in 1987, there has not been any loss of principal to the Pool resulting from these securities lending transactions or the investment of the related collateral.

Legislation which would modify the currently authorized investments and place restrictions on the ability of municipalities to invest in various securities is considered from time to time by the State Legislature. Therefore, there can be no assurances that the current investments in the Treasury Pool will not vary significantly from the investments described herein.

The Treasury Pool halted all investments in asset-backed commercial paper in early July 2007 and has no plans to resume investment in this type of security until financial markets and credit conditions have stabilized. Further, the Treasury Pool is not invested in any structured investment vehicles and has never invested in collateralized debt obligations.

In order to limit exposure to credit risk, the County Pool has limited purchases of corporate securities to maturities less than 60 days.

The Investment Policy. The Pool's Investment Policy (the "Investment Policy"), as approved by the County Board of Supervisors, currently states that the objectives of the Treasurer when investing, reinvesting, purchasing, acquiring, exchanging, selling and managing public funds are as follows: the primary objective is to safeguard the principal of the funds under the Treasurer's control, the secondary objective is to meet the liquidity needs of the Pool Participants, and the third objective is to achieve an investment return on the funds under the control of the Treasurer within the parameters of prudent risk management. The Investment Policy contains a goal that 50% of the Pool should be invested in securities maturing one year or less with the remainder of the portfolio being invested in debt securities with maturities spread over more than one year to five years. Furthermore, at least 25% of the Pool must mature within 90 days. The maximum effective duration shall be 1.50 years. The Investment Policy also authorizes investments in covered call options or put options, which are options on the part of a third

party to buy from the Pool a specified security within a finite time at a specified price. Under the Investment Policy, securities subject to covered calls are not to be used for reverse repurchase agreements, cash sufficient to pay for outstanding puts are to be invested in securities maturing on or before the expiration date of the option, the maximum maturity of a covered call option/put option is to be 90 days and not more than 10% of the total investments in the Pool could have options (in contrast to “derivatives”) written against them at any given time.

Pool Benchmark. The Pool is managed as two portfolios; a short-term portfolio to meet liquidity needs and a long-term portfolio to achieve incremental yield. All reporting with respect to the Pool is on a combined portfolio basis to facilitate financial transparency from the perspective of Pool participants. The long-term portfolio is managed to mirror a composite of bond indices with weightings of 60% U.S. Treasury and 40% U.S. Government Agencies. It has a duration of approximately 1.6 years and reflects an appropriate risk/return profile considering the Pool objectives and constraints. The Pool complies with all applicable sections of California Government Code and the Pool’s Investment Policy.

Neither the District nor the Underwriter has made an independent investigation of the investments in the County Pool and has made no assessment of the current County Investment Policy. The value of the various investments in the County Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the County Treasurer, with the consent of the County Board of Supervisors, may change the County Investment Policy at any time. Therefore, there can be no assurance that the values of the various investments in the County Pool will not vary significantly from the values described herein.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS

Article XIII A of the California Constitution

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

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

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

of Appeal upheld the recapture practice in 2004, and the State Supreme Court declined to review the ruling, leaving the recapture law in place.

Legislation Implementing Article XIII A. Legislation has been enacted and amended a number of times since 1978 to implement Article XIII A. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter-approved indebtedness). The one percent property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the two percent annual adjustment are allocated among the various jurisdictions in the “taxing area” based upon their respective “situs.” Any such allocation made to a local agency continues as part of its allocation in future years.

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

Article XIII B of the California Constitution

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

In fiscal year 2010-11, the District had an appropriations limit of \$78,502,022.52 and appropriations subject to the limit of \$78,502,022.52. For fiscal year 2011-12, the District has estimated its appropriations limit at \$80,424,139.00.

Article XIII C and Article XIII D of the California Constitution

On November 5, 1996, the voters of the State of California approved Proposition 218, popularly known as the “Right to Vote on Taxes Act.” Proposition 218 added to the California Constitution Articles XIII C and XIII D, which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

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

special taxes approved by a two-thirds vote under Article XIII A, Section 4. Article XIII D deals with assessments and property-related fees and charges, and explicitly provides that nothing in Article XIII C or XIII D will be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development.

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

Statutory Limitations

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

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

Proposition 98 and Proposition 111

On November 8, 1988, voters approved Proposition 98, a combined initiative constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit. The Accountability Act guarantees State funding for K through 12 school districts and community college districts (collectively, "K-14 districts") at a level equal to the greater of (a) the same percentage of general fund revenues as the percentage appropriated to such districts in 1986-87, which percentage is equal to 40.9 %, or (b) the amount actually appropriated to such districts from the general fund in the previous fiscal year, adjusted for growth in enrollment and inflation.

Since the Accountability Act is unclear in some details, there can be no assurance that the Legislature or a court might not interpret the Accountability Act to require a different percentage of general fund revenues to be allocated to K-14 districts than the 40.9% percentage, 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 XIII B spending limit would restrain the State's ability to fund such other programs by raising taxes.

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

schools is four percent of the minimum State spending for education mandated by the Accountability Act, as described above.

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

Under prior law, K-14 school districts were guaranteed the greater of (a) 40.9% of general fund revenues (the “first test”) or (b) the amount appropriated in the prior year adjusted for changes in the cost of living (measured as in Article XIII B by reference to per capita personal income) and enrollment (the “second test”). Under Proposition 111, school districts would receive the greater of (a) the first test, (b) the second test or (c) a third test, which would replace the second test in any year when growth in per capita general fund revenues from the prior year was less than the annual growth in State per capita personal income. Under the third test, school districts would receive the amount appropriated in the prior year adjusted for change in enrollment and per capita general fund revenues, plus an additional small adjustment factor. If the third test were used in any year, the difference between the third test and the second test would become a “credit” to be paid in future years when general fund revenue growth exceeds personal income growth.

Applications of Constitutional and Statutory Provisions

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. For a discussion of how the provisions of Proposition 98 have been applied to school funding see “DISTRICT HISTORY, OPERATION AND FINANCIAL INFORMATION – State Funding of Education; State Budget Process.”

Future Initiatives

Article XIII A, Article XIII B, Article XIII C, Article XIII D, as well as Propositions 98 and 111 were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time other initiative measures could be adopted, further affecting District revenues or the District’s ability to expend revenues.

RATINGS

Standard & Poor’s Rating Services (“S&P”) has assigned the Series 2012A Bonds the rating of “___.” The rating agency may have obtained and considered information and material which has not been included in this Official Statement. Generally, rating agencies base their rating on information and material so furnished and on investigations, studies and assumptions made by them. The ratings are not a recommendation to buy, sell or hold the Series 2012A Bonds. The ratings reflect only the view of the rating agency and an explanation of the significance of such ratings may be obtained from it. No assurance can be given that the rating of the rating agency will be maintained for any given period of time or that the rating may not be revised downward or withdrawn entirely by the rating agency, if in its own judgment, circumstances warrant. Any such downward change in or withdrawal may have an adverse effect on the market price of the Series 2012A Bonds. The Underwriter and the

District have not undertaken any responsibility after the offering of the Series 2012A Bonds to assure the maintenance of the ratings or to oppose any such revision or withdrawal.

TAX MATTERS

In the opinion of Perry Israel (“Special Tax Counsel”), based upon an analysis of existing laws, regulations, rulings, and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. In the further opinion of Special Tax Counsel, interest on the Series 2012A Bonds is not a specific preference item for purposes of the federal individual and corporate alternative minimum taxes, although Special Tax Counsel notes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Special Tax Counsel expects to deliver an opinion at the time of issuance of the Series 2012A Bonds substantially in the form set forth in APPENDIX C-2 hereto.

[To the extent the issue price of any maturity of the Series 2012A Bonds is less than the amount to be paid at maturity of such Series 2012A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2012A Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Series 2012A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series 2012A Bonds is the first price at which a substantial amount of such maturity of the Series 2012A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series 2012A Bonds accrues daily over the term to maturity of such Series 2012A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series 2012A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series 2012A Bonds. Beneficial Owners of the Series 2012A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series 2012A Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Series 2012A Bonds in the original offering to the public at the first price at which a substantial amount of such Series 2012A Bonds is sold to the public.]

[Series 2012A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.]

The Code imposes various restrictions, conditions, and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Series 2012A Bonds. The Issuer has made certain representations and covenanted to comply with certain restrictions, conditions, and requirements designed to ensure that interest on the Series 2012A Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Series 2012A Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Series 2012A Bonds. The opinion of Special Tax Counsel assumes the accuracy of these representations and compliance with these covenants. Special Tax Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Special Tax Counsel’s attention after the date of issuance of the Series 2012A Bonds may adversely affect the value of, or the tax status of interest on, the Series 2012A Bonds.

Although Special Tax Counsel is of the opinion that interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the

ownership or disposition of, or the accrual or receipt of interest on, the Series 2012A Bonds may otherwise affect a Beneficial Owner's federal, state, or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner's other items of income or deduction. Special Tax Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code, or court decisions may cause interest on the Series 2012A Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. As one example, the Obama Administration recently announced a legislative proposal which, for tax years beginning on January 1, 2013, generally would limit the exclusion from gross income of interest on obligations like the Series 2012A Bonds to some extent for taxpayers who are individuals and whose income is subject to higher marginal income tax rates. Other proposals have been made that could significantly reduce the benefit of, or otherwise affect, the exclusion from gross income of interest on obligations such as the Series 2012A Bonds. The introduction or enactment of any such future legislative proposals, clarification of the Code, or court decisions may also affect the market price for, or marketability of, the Series 2012A Bonds. Prospective purchasers of the Series 2012A Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Special Tax Counsel expresses no opinion.

The opinion of Special Tax Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Special Tax Counsel's judgment as to the proper treatment of the Series 2012A Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Special Tax Counsel cannot give and has not given any opinion or assurance about the future activities of the Issuer or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The Issuer has covenanted, however, to comply with the requirements of the Code.

Special Tax Counsel's engagement with respect to the Series 2012A Bonds ends with the issuance of the Series 2012A Bonds, and, unless separately engaged, Special Tax Counsel is not obligated to defend the Issuer or the Beneficial Owners regarding the tax-exempt status of the Series 2012A Bonds in the event of an audit examination by the IRS. Under current procedures, parties (such as the Beneficial Owners) other than the Issuer and its appointed counsel would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Issuer legitimately disagrees may not be practicable. Any action of the IRS, including but not limited to selection of the Series 2012A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series 2012A Bonds, and may cause the Issuer or the Beneficial Owners to incur significant expense.

CERTAIN LEGAL MATTERS

Manatt, Phelps & Phillips, LLP, Bond Counsel to the Authority, will render opinions with respect to the legality of the Series 2012A Bonds, the Facility Sublease and the Trust Agreement. The form of such legal opinion proposed to be delivered by Bond Counsel is included as APPENDIX C-1 to this Official Statement. Certain tax matters related to the Series 2012A Bonds will be passed upon by the Law Office of Perry Israel. A form of such opinion is included as APPENDIX C-2. Certain legal matters will be passed upon for the Underwriter by Orrick, Herrington & Sutcliffe LLP; and for the District and the Authority by Laura D. Romano, Esq., San Diego, California, as counsel to the District and the Authority.

ABSENCE OF MATERIAL LITIGATION

At the time of delivery of and payment for the Series 2012A Bonds, the District will certify that there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court or governmental or public entity pending or, to the best knowledge of the District, threatened against the District (i) which affects or seeks to prohibit, restrain or enjoin the issuance of the Series 2012A Bonds, the Facility Sublease, the Facility Lease, the Trust Agreement, or the Continuing Disclosure Certificate, (ii) contesting the validity of the Facility Sublease, the Facility Lease, the Trust Agreement or the Continuing Disclosure Certificate, the powers of the District to enter into or perform its obligations under the Facility Sublease, the Facility Lease, the Trust Agreement or the Continuing Disclosure Certificate, or the existence or powers of the District, or (iii) which, if determined adversely to the District, would materially impair the District's ability to meet its obligations under the Facility Sublease or materially and adversely affect the District's financial condition.

The District does have claims pending against it. The aggregate amount of the uninsured liabilities of the District which may result from all claims will not, in the opinion of the District, materially affect the District's finances or impair its ability to make Base Rental Payments under the Facility Sublease.

CONTINUING DISCLOSURE

Pursuant to the Continuing Disclosure Certificate of the District, dated as of March 1, 2012 (the "Continuing Disclosure Certificate"), the District will covenant for the benefit of holders and Beneficial Owners of the Series 2012A Bonds to provide certain financial information and operating data relating to the District by not later than nine months following the end of the District's fiscal year (which currently would be April 1) commencing with the report for the 2011-12 Fiscal Year (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Report and notices of material events will be filed by the District with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system or such other electronic system designated by the Municipal Securities Rulemaking Board. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in "APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with S.E.C. Rule 15c2-12(b)(5). The District has never failed to comply in all material respects with any previous undertakings with regard to S.E.C. Rule 15c2-12(b)(5) to provide annual reports or notices of material events.

UNDERWRITING

The Series 2012A Bonds are to be purchased by De La Rosa & Co. (the "Underwriter"). The Underwriter has agreed, subject to certain terms and conditions set forth in the Bond Purchase Agreement, dated [_____] , 2012, by and between the Underwriter and the District, to purchase the Series 2012A Bonds at a purchase price of \$[_____] (representing an aggregate principal amount of \$[_____] , less an underwriter's discount of \$[_____]). The Underwriter will purchase all the Series 2012A Bonds if any are purchased. The Series 2012A Bonds may be offered and sold to certain dealers (including dealers depositing said Series 2012A Bonds into investment trusts) and others at prices lower than the initial public offering price, and the public offering price may be changed from time to time by the Underwriter.

MISCELLANEOUS

References are made herein to certain documents and reports which are brief summaries thereof which do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the District and the purchasers or owners of any of the Series 2012A Bonds.

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

SAN DIEGUITO UNION HIGH SCHOOL DISTRICT

By: _____
Associate Superintendent of Business Services

SAN DIEGUITO PUBLIC FACILITIES AUTHORITY

By: _____
Treasurer

APPENDIX A
SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

[To Come]

APPENDIX B

**FINANCIAL STATEMENTS OF THE DISTRICT
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

[To Come]

APPENDIX C-1
FORM OF BOND COUNSEL OPINION

[To Come]

APPENDIX C-2
FORM OF SPECIAL TAX COUNSEL OPINION

[To Come]

APPENDIX D
FORM OF CONTINUING DISCLOSURE CERTIFICATE

[To Come]

APPENDIX E**BOOK-ENTRY ONLY SYSTEM**

The information in this APPENDIX E has been provided by DTC for use in securities offering documents, and the District takes no responsibility for the accuracy or completeness thereof. The District notes that it will issue one fully registered certificate for each maturity of the Bonds in the principal amount of such maturity, and suggests that this is what the first numbered paragraph below intends to convey. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners either (a) payments of interest, principal or premium, if any, with respect to the Bonds or (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC. As used in this appendix, "Securities" means the Bonds, "Issuer" means the District, and "Agent" means the Paying Agent.

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each series and maturity of the Securities, each in the principal amount of such series and maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any series and maturity exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such series and maturity.

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive

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certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within a series and maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such series and maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or 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, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

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

EXHIBIT G

Section 17150 Notice

San Dieguito

Union High School District

710 Encinitas Boulevard, Encinitas, CA 92024
Telephone (760) 753-6491
www.sduhsd.net

Donald Steuer
Chief Financial Officer
County of San Diego
Finance and General Government Group
1600 Pacific Highway, Room 166
San Diego CA 92101

Randolph E. Ward, Ed.D.
County Superintendent of Schools
San Diego County Office of Education
6401 Linda Vista Road
San Diego CA 92111-7399

ITEM 19
Board of Trustees
Joyce Dalessandro
Barbara Groth
Beth Hergesheimer
Amy Herman
John Salazar
Superintendent
Ken Noah

Business Services Division
Eric R. Dill, Associate Superintendent
Fax (760) 943-3508

Certification of Associate Superintendent Regarding Public Disclosure of Non-Voter-Approved Debt

Pursuant to Education Code Section 17150, you are hereby notified that on March ____, 2012, the Governing Board of the San Dieguito Union High School District approved the issuance of the San Dieguito Public Facilities Authority Lease Revenue Bonds, Series 2012A (Torrey Pines High School Projects). Attached as Exhibit A is the estimated repayment schedule for that debt obligation. Attached as Exhibit B is a listing of the School District's projected lease revenues and expenditures for the period of the repayment schedule that demonstrates the debt obligation can be repaid from anticipated lease revenues.

I, Eric R. Dill, Associate Superintendent for Business Services of the San Dieguito Union High School District, hereby certify that the information contained in this certification, including the attachments, is accurate and correct to the best of my knowledge.

Eric R. Dill
Associate Superintendent for Business Services of the
San Dieguito Union High School District

March ____, 2012