NEW ISSUE—FULL BOOK-ENTRY

RATINGS: Moody's: "Aa2"; S&P: "AA"
(See "MISCELLANEOUS – Ratings")

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

$65,700,000
BELMONT-REDWOOD SHORES SCHOOL DISTRICT
(San Mateo County, California)

$38,000,000
Election of 2014 General Obligation Bonds, Series A

$6,040,000
2015 General Obligation Refunding Bonds, Series A

$21,660,000
2015 General Obligation Refunding Bonds, Series B
(Redwood Shores School Facilities Improvement District)

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

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

The Belmont-Redwood Shores School District (San Mateo County, California) Election of 2014 General Obligation Bonds, Series A (the "Series A Bonds") were authorized at an election of the registered voters of the Belmont-Redwood Shores School District (the "District") held on November 4, 2014 at which 55% or more of the persons voting on the proposition voted to authorize the issuance and sale of $48,000,000 principal amount of general obligation bonds of the District (the "Authorization"). The Series A Bonds are being issued to finance the acquisition, construction, modernization, furnishing and equipping of District sites and facilities, and to pay the costs associated with the issuance of the Series A Bonds.

The Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series A (the "Series A Refunding Bonds") are being issued by the District to current refund a portion of the outstanding 2005 General Obligation Refunding Bonds and to pay the costs associated with the issuance of the Series A Refunding Bonds.

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

The Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series B (Redwood Shores School Facilities Improvement District) (the "Series B Refunding Bonds," and, together with the Series A Bonds and Series A Refunding Bonds, the "Bonds") are being issued by the District to advance refund a portion of the District's outstanding Redwood Shores School Facilities Improvement District (the "Improvement District") Election of 2005 General Obligation Bonds, Series A and to pay the costs associated with the issuance of the Series B Refunding Bonds.

The Series B Refunding Bonds are general obligations of the District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District. The Board of Supervisors of San Mateo County is empowered and obligated to annually levy *ad valorem* property taxes on all such property, for the payment of the principal of and interest on the Series B Refunding Bonds, without limitation of rate or amount (except as to certain personal property which is taxable at limited rates).

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (collectively referred to herein as "DTC"). Purchasers of the Bonds (the "Beneficial Owners") will not receive physical certificates representing their interest in the Bonds. Interest on the Bonds accrues from the date of initial delivery thereof, and is payable semiannually on February 1 and August 1 of each year, commencing August 1, 2015. The Bonds are issuable as fully registered Bonds in denominations of $5,000 principal amount or any integral multiple thereof.

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

The Series A Bonds and the Series B Refunding Bonds are subject to optional redemption and the Series A Bonds are subject to mandatory sinking fund redemption prior to their stated maturity dates as described herein.

MATURITY SCHEDULE
(see inside front cover)

The Bonds are offered when, as and if issued, subject to the approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel and Disclosure Counsel to the District. Certain legal matters will be passed upon for the Underwriter by Nossaman LLP, Irvine, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through the facilities of DTC in New York, New York on or about June 4, 2015

PiperJaffray®

STIFEL

Dated: May 19, 2015

MATURITY SCHEDULE

Base CUSIP†: 080495

$38,000,000
BELMONT-REDWOOD SHORES SCHOOL DISTRICT
(San Mateo County, California)
Election of 2014 General Obligation Bonds, Series A

$23,805,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2016	$2,150,000	2.000%	0.320%	DY7
2017	1,325,000	4.000	0.720	DZ4
2018	1,035,000	4.000	1.090	EA8
2019	1,160,000	4.000	1.360	EB6
2020	360,000	2.000	1.580	EC4
2021	425,000	2.000	1.810	ED2
2022	495,000	5.000	2.000	EE0
2023	560,000	5.000	2.200	EF7
2024	680,000	5.000	2.390	EG5
2025	785,000	5.000	2.510	EH3
2026	895,000	3.500	2.800(1)	EJ9
2027	260,000	5.000	2.860(1)	EK6
2027	740,000	4.000	3.000(1)	FX7
2028	1,120,000	4.000	3.190(1)	EL4
2029	1,240,000	4.000	3.370(1)	EM2
2030	1,375,000	4.000	3.550(1)	EN0
2031	1,515,000	4.000	3.660(1)	EP5
2032	1,660,000	4.000	3.720(1)	EQ3
2033	1,820,000	5.000	3.310(1)	ER1
2034	2,005,000	5.000	3.350(1)	ES9
2035	2,200,000	5.000	3.390(1)	ET7

$14,195,000 – 4.000% Term Bonds due August 1, 2040 - Yield: 3.980%(1) - CUSIP† EU4

(1) Yield to call at par on August 1, 2025.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the District nor the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.

MATURITY SCHEDULE

Base CUSIP†: 080495

$6,040,000
BELMONT-REDWOOD SHORES SCHOOL DISTRICT
(San Mateo County, California)
2015 General Obligation Refunding Bonds, Series A

$6,040,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2015	$115,000	2.000%	0.200%	EV2
2016	710,000	2.000	0.320	EW0
2017	755,000	2.000	0.720	EX8
2018	790,000	3.000	1.090	EY6
2019	835,000	3.000	1.360	EZ3
2020	885,000	3.000	1.580	FA7
2021	940,000	5.000	1.810	FB5
2022	1,010,000	5.000	2.000	FC3

$21,660,000
BELMONT-REDWOOD SHORES SCHOOL DISTRICT
(San Mateo County, California)
2015 General Obligation Refunding Bonds, Series B
(Redwood Shores School Facilities Improvement District)

$21,660,000 Serial Bonds

Maturity (August 1)	Principal Amount	Interest Rate	Yield	CUSIP†
2015	$395,000	2.000%	0.200%	FD1
2018	540,000	4.000	1.090	FG4
2019	625,000	4.000	1.360	FH2
2020	720,000	4.000	1.580	FJ8
2021	815,000	4.000	1.810	FK5
2022	925,000	5.000	2.000	FL3
2023	1,045,000	5.000	2.200	FM1
2024	1,175,000	5.000	2.390	FN9
2025	1,320,000	5.000	2.510	FP4
2026	1,475,000	5.000	2.690(1)	FQ2
2027	1,635,000	5.000	2.860(1)	FR0
2028	1,810,000	5.000	2.970(1)	FS8
2029	2,000,000	5.000	3.070(1)	FT6
2030	2,195,000	4.000	3.550(1)	FU3
2031	2,390,000	4.000	3.660(1)	FV1
2032	2,595,000	4.000	3.720(1)	FW9

(1) Yield to call at par on August 1, 2025.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Services. Neither the District nor the Underwriters are responsible for the selection or correctness of the CUSIP numbers set forth herein.

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

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

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

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

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

The District maintains a website. However, the information presented on such website is not part of this Official Statement, is not incorporated herein by any reference, and should not be relied upon in making an investment decision with respect to the Bonds.

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$65,700,000
BELMONT-REDWOOD SHORES SCHOOL DISTRICT
(San Mateo County, California)

$38,000,000	**$6,040,000**
Election of 2014 General Obligation Bonds, Series A	**2015 General Obligation Refunding Bonds, Series A**

$21,660,000
2015 General Obligation Refunding Bonds, Series B
(Redwood Shores School Facilities Improvement District)

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page and appendices hereto, provides information in connection with the sale of (i) Belmont-Redwood Shores School District (San Mateo, California) Election of 2014 General Obligation Bonds, Series A (the "Series A Bonds"), (ii) Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series A (the "Series A Refunding Bonds") and (iii) Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series B (Redwood Shores School Facilities Improvement District) (the "Series B Refunding Bonds").

The Series A Bonds, the Series A Refunding Bonds, and the Series B Refunding Bonds are collectively referred to herein as the "Bonds." The Series A Bonds and the Series A Refunding Bonds are collectively referred to herein as the "District-wide Bonds." The Series A Refunding Bonds and Series B Refunding Bonds are collectively referred to herein as the "Refunding Bonds."

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

Changes Since Date of the Preliminary Official Statement

Subsequent to the publication of the Preliminary Official Statement, the Governor released his May revision to the proposed State budget for fiscal year 2015-16 (the "May Revision"). For a summary of the May Revision, see "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – State Budget – May Revision" herein.

This Official Statement has also changed to reflect certain updates related to the Belmont-Redwood Shores School District retirement systems, including the April 2015 approval of the 2013-14 State Teachers' Retirement System ("STRS") actuarial valuation, the approval of the 2015-16 employer contribution rate by the Public Employees' Retirement System ("PERS") Finance & Administration Committee, and the release of certain actuarial information that will be included in the PERS 2014 Actuarial Report scheduled for release in summer 2015. For additional information, see "BELMONT-REDWOOD SHORES SCHOOL DISTRICT – District Retirement Systems" herein.

The District

The Belmont-Redwood Shores School District (the "District") is located in the northeastern portion of San Mateo County, California (the "County"). The District was formed as an elementary school district in 1861 and includes all of the city of Belmont and portions of the cities of San Mateo, Redwood City, Foster City and San Carlos, as well as adjacent unincorporated areas of the County. The District operates six elementary schools and one middle school. For fiscal year 2014-15, the District has projected an average daily attendance of 3,742 students. The District has a fiscal year 2014-15 assessed valuation of $11,456,060,650.

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

For more information about the District generally, see "BELMONT-REDWOOD SHORES SCHOOL DISTRICT." For more information regarding the District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS."

The Improvement District

The Redwood Shores School Facilities Improvement District (the "Improvement District") encompasses the portion of the District in the Redwood Shores neighborhood east of the U.S. Highway 101. The Improvement District is located in San Mateo County, including portions of Redwood City, Belmont and San Carlos, and encompasses about 10 square miles (excluding water area), representing about 30% of the territory of the District. The Improvement District has a 2014-15 assessed valuation of $5,347,017,618.

For more information about the Improvement District generally, see "REDWOOD SHORES SCHOOL FACILITIES IMPROVEMENT DISTRICT" and APPENDIX F – "LOCATION MAP OF THE DISTRICT AND IMPROVEMENT DISTRICT" herein. For more information regarding the Improvement District's assessed valuation, see "TAX BASE FOR REPAYMENT OF BONDS."

Purpose of the Bonds

Series A Bonds. The Series A Bonds are being issued to finance the acquisition, construction, modernization, furnishing and equipping of District sites and facilities, and to pay the costs associated with the issuance of the Series A Bonds. See "THE BONDS – Application and Investment of Bond Proceeds – Series A Bonds" and "ESTIMATED SOURCES AND USES OF FUNDS – Series A Bonds."

Series A Refunding Bonds. The Series A Refunding Bonds are being issued to current refund a portion of the District's outstanding 2005 General Obligation Refunding Bonds (the "2005 Refunding Bonds") and to pay the costs associated with the issuance of the Series A Refunding Bonds. See "THE BONDS – Application and Investment of Bond Proceeds – Series A Refunding Bonds" and "ESTIMATED SOURCES AND USES OF FUNDS – Series A Refunding Bonds." The portion of the 2005 Refunding Bonds to be refunded with proceeds of the Series A Refunding Bonds are referred to herein as the "2005 Refunded Bonds."

Series B Refunding Bonds. The Series B Refunding Bonds are being issued to advance refund a portion of the District's outstanding Improvement District Election of 2005 General Obligation Bonds, Series A (the "2005 Series A Bonds") and to pay the costs associated with the issuance of the Series B Refunding Bonds. See "THE BONDS – Application and Investment of Bond Proceeds – Series B Refunding Bonds" and "ESTIMATED SOURCES AND USES OF FUNDS – Series B Refunding

Bonds." The portion of the 2005 Series A Bonds to be refunded with proceeds of the Series B Refunding Bonds are referred to herein as the "2005 Series A Refunded Bonds."

Security and Sources of Payment for the Bonds

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

Series B Refunding Bonds. The Series B Refunding Bonds are general obligations of the District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District. The Board of Supervisors of the County is empowered and obligated to annually levy *ad valorem* property taxes on all such property, without limitation as to rate or amount (except for certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Series B Refunding Bonds when due. See "THE BONDS – Security and Sources of Payment – The Series B Refunding Bonds."

Description of the Bonds

Form, Registration and Denomination. The Bonds will be issued in fully registered form only (without coupons), initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of interests in the Bonds (the "Beneficial Owners") through the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants (defined herein). Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered in accordance with the Resolutions (defined herein). See "THE BONDS – Transfer and Exchange of Bonds."

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

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

Redemption.

Series A Bonds. The Series A Bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 2025, or on any date thereafter, as a whole or in part. The Series A Term Bonds are subject to mandatory sinking fund redemption as described herein. See "THE BONDS – Redemption."

Series A Refunding Bonds. The Series A Refunding Bonds are not subject to redemption prior to their stated maturity date. See "THE BONDS – Redemption."

Series B Refunding Bonds. The Series B Refunding Bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of funds, on August 1, 2025, or on any date thereafter, as a whole or in part. See "THE BONDS – Redemption."

Payments. Interest on the Bonds accrues from their initial date of delivery, and is payable semiannually on each February 1 and August 1 (each a "Bond Payment Date"), commencing August 1, 2015. Principal on the Bonds is payable on August 1 in the amounts and years as set forth on the inside cover page hereof.

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

Tax Matters

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

Authority for Issuance of the Bonds

The Bonds are issued pursuant to certain provisions of the State of California Government Code and other applicable law, and pursuant to resolutions adopted by the Board of Trustees of the District. See "THE BONDS — Authority for Issuance."

Offering and Delivery of the Bonds

The Bonds are offered when, as and if issued, subject to approval as to their validity by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York on or about June 4, 2015.

Bondowner's Risks

The District-wide Bonds are general obligations of the District payable solely from the proceeds of *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all property subject to taxation within the District. The Series B Refunding Bonds are general obligations of the District payable solely from *ad valorem* taxes which may be levied without limitation as to rate or amount (except with respect to certain personal property which is taxable at limited rates) on all property subject to taxation within the Improvement District. For more complete information regarding the taxation of property within the District and the Improvement District, see "TAX BASE FOR REPAYMENT OF BONDS."

Continuing Disclosure

The District will covenant for the benefit of the Owners and Beneficial Owners of the Bonds to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain listed events, in order to assist the Underwriters in complying with S.E.C. Rule 15c2-12(b)(5) (the "Rule"). See "LEGAL MATTERS – Continuing Disclosure." The specific nature of the information to be made available and the notices of listed events required to be provided are described in APPENDIX C.

Forward-Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "intend," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information regarding the District herein.

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Professionals Involved in the Offering

Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, is acting as Bond Counsel and Disclosure Counsel to the District with respect to the Bonds. California Financial Services, Santa Rosa, California, is acting as Financial Advisor to the District with respect to the Bonds. Stradling Yocca Carlson & Rauth and California Financial Services will receive compensation from the District contingent upon the sale and delivery of the Bonds. Certain matters will be passed on for the Underwriter by Nossaman LLP, Irvine, California. The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, will act as Escrow Agent (as defined herein) for the 2005 Refunded Bonds and the 2005 Series A Refunded Bonds. Causey Demgen & Moore P.C., Denver, Colorado, is acting as verification agent for the 2005 Refunded Bonds and the 2005 Series A Refunded Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Copies of documents referred to herein and information concerning the Bonds are available from Belmont-Redwood Shores School District, 2960 Hallmark Drive, Belmont, California, 94002 telephone: (650) 637-4800. The District may impose a charge for copying, mailing and handling.

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

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

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

Capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Resolutions (as defined herein).

THE BONDS

Authority for Issuance

Series A Bonds. The Series A Bonds are being issued pursuant to the provisions of Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, Article XIIIA of the California Constitution and pursuant to a resolution adopted by the Board on April 2, 2015 (the "Series A Resolution").

The District received authorization at an election held on November 4, 2014 (the "Election") by the requisite 55% or more of the votes cast by eligible voters within the District to issue $48,000,000 of general obligation bonds (the "2014 Authorization"). The Series A Bonds represent the first series of bonds under the 2014 Authorization. After the issuance of the Series A Bonds, approximately $13,000,000 of the 2014 Authorization will remain.

The Series A Refunding Bonds. The Series A Refunding Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California and other applicable law, and pursuant to a resolution adopted by the Board on April 2, 2015 (the "Series A Refunding Resolution").

The Series B Refunding Bonds. The Series B Refunding Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California and other applicable law, and pursuant to a resolution adopted by the Board on April 2, 2015 (the "Series B Refunding Resolution" and, collectively with the Series A Resolution and the Series A Refunding Resolution, the "Resolutions").

Security and Sources of Payment

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

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

General. The taxes described above will be levied annually in addition to all other taxes during the period that the Bonds are outstanding in an amount sufficient to pay the respective principal of and interest thereon when due. Such taxes, when collected, will be placed by the County in the respective Debt Service Funds (defined herein), which funds are each segregated and maintained by the County, and funds therein shall be used for the payment of principal of and interest on the respective series of Bonds when due, and for no other purpose. Pursuant to the Resolutions, the District has pledged amounts on deposit in the Debt Service Funds for the payment of each of the respective series of Bonds. Although the County is obligated to levy an *ad valorem* property tax for the payment of the Bonds, and the County will maintain the Debt Service Funds, the Bonds are not a debt of the County. See "TAX BASE FOR REPAYMENT OF BONDS."

The moneys in the Debt Service Funds, to the extent necessary to pay the principal of and interest on the respective series of Bonds as the same becomes due and payable, shall be transferred by the County to the Paying Agent (as defined herein). The Paying Agent will in turn remit the funds to DTC for remittance of such principal and interest to its Indirect Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds.

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

Description of the Bonds

The Bonds will be issued in book-entry form only and will be initially issued and registered in the name of Cede & Co., as nominee for DTC. Purchasers will not receive certificates representing their interests in the Bonds. See "THE BONDS – Book-Entry Only System."

Interest on the Bonds accrues from their initial date of delivery, and is payable semiannually on each Bond Payment Date, commencing August 1, 2015. Interest on the Bonds will be computed on the basis of a 360-day year of twelve, 30-day months. Each Bond shall bear interest from the Bond Payment Date next preceding the date of authentication thereof unless it is authenticated as of a day during the period from the 16th day of the month immediately preceding any Bond Payment Date to and including such Bond Payment Date, in which event it shall bear interest from such Bond Payment Date, or unless it is authenticated on or before January 15, 2016 for the Series A Bonds and on or before July 15, 2015 for the Refunding Bonds, in which event it shall bear interest from its date of delivery. The Bonds are issuable in denominations of $5,000 principal amount or any integral multiple thereof and mature on August 1 in the years and amounts set forth on the inside cover hereof.

The principal of the Bonds will be payable in lawful money of the United States of America to the registered Owner thereof, upon the surrender thereof at the office of the Paying Agent. The interest on the Bonds will be payable in lawful money of the United States of America to the person whose name appears on the bond registration books of the Paying Agent as the registered Owner thereof as of the close of business on the 15th day of the month next preceding any Bond Payment Date (a "Record Date"), whether or not such day is a business day, such interest to be paid by check or draft mailed on such Bond Payment Date to such registered Owner at such registered Owner's address as it appears on such registration books or at such address as the registered Owner may have filed with the Paying Agent for that purpose. The interest payments on the Bonds will be made in immediately available funds (e.g., by wire transfer) to any registered Owner of at least $1,000,000 of outstanding Bonds who have requested in writing such method of payment of interest on the Bonds prior to the close of business on the Record Date immediately preceding any Bond Payment Date.

Book-Entry Only System

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy or completeness thereof. The District cannot and does not give any assurances that DTC, DTC Participants or Indirect Participants will distribute to the Beneficial Owners (a) payments of interest, principal or premium, if any, with respect to the Bonds, (b) certificates representing ownership interest in or other confirmation of ownership interest in the Bonds, or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the Bonds, or that they will so do on a timely basis or that DTC, DTC Participants or DTC Indirect Participants will act in the manner described in this Official Statement. The current "Rules" applicable to DTC are on file with the Securities and Exchange Commission and the current "MMI Procedures" of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 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 is rated "AA+" by Standard & Poor's. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

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

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

Application and Investment of Bond Proceeds

Series A Bonds. The Series A Bonds are being issued by the District to finance the acquisition, construction, modernization, furnishing and equipping of certain District sites and facilities, and to pay the costs associated with the issuance of the Series A Bonds. The net proceeds of the sale of the Series A Bonds shall be deposited in the fund held by the County and designated as the "Belmont-Redwood Shores School District, Election of 2014 General Obligation Bonds, Series A Building Fund" (the "Building Fund"). Any interest earnings on moneys held in the Building Fund shall be retained therein.

The *ad valorem* property taxes levied by the County for the payment of the Series A Bonds, when collected, will be deposited into the fund designated as the "Belmont-Redwood Shores School District, Election of 2014 General Obligation Bonds, Series A Debt Service Fund" (the "Series A Debt Service Fund"), which fund is held by the County for payment of principal of and interest on the Series A Bonds. Any accrued interest or premium received by the County on the sale of the Series A Bonds shall be deposited in the Series A Debt Service Fund. Any interest earnings on moneys held in the Series A Debt Service Fund shall be retained therein. If, after all of the Series A Bonds have been redeemed or paid and otherwise cancelled, there are moneys remaining in the Series A Debt Service Fund or otherwise held in trust for the payment of the redemption price of the Series A Bonds, any such excess amounts shall be transferred to the general fund of the District as provided and permitted by law.

In accordance with the Series A Resolution and subject to federal tax restrictions, moneys in the Series A Building Fund are authorized to be invested in the following: (i) lawful investment permitted by Sections 16429.1 and 53601 ("Section 53601") of the Government Code of the State of California, including Non-AMT Bonds (defined herein) and Qualified Non-AMT Mutual Funds (defined herein); (ii) shares in a California common law trust established pursuant to Title 1, Division 7, Chapter 5 of the Government Code which invests exclusively in investments permitted by Section 53635 of the Government Code; (iii) a guaranteed investment contract with a provider rated in at least the second highest category by each rating agency then rating the Bonds, (iv) the Local Agency Investments Fund of the California State Treasurer, (v) the Investment Pool of the County (defined herein), and (vi) State and Local Government Series Securities.

"Non-AMT Bonds" is defined in the Series A Resolution as obligations the interest on which is excludable from gross income for federal income tax purposes under Section 103(a) of the Code, as amended and not treated as an item of tax preference under Section 57(a)(5)(C) of the Code, and which are legal investments pursuant to Section 53601. "Qualified Non-AMT Mutual Funds" is defined in the Series A Resolution as stock in a regulated investment company to the extent that at least 95% of the income of such regulated investment company is interest that is excludable from gross income under Section 103 of the Code and not an item of tax preference under Section 57(a)(5)(C) of the Code.

Series A Refunding Bonds. The Series A Refunding Bonds are being issued to refund the 2005 Refunded Bonds and pay the costs associated with the issuance of the Series A Refunding Bonds.

The net proceeds from the sale of the Series A Refunding Bonds shall be deposited with The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "Escrow Agent"), to the credit of the "Belmont-Redwood Shores School District, 2015 General Obligation Refunding Bonds, Series A Escrow Fund" (the "Series A Escrow Fund"). Pursuant to an escrow agreement (the "Series A Escrow Agreement") by and between the District and the Escrow Agent, the amounts deposited in the Series A Escrow Fund will be held as cash and will be sufficient to enable the Escrow Agent to pay the principal, redemption premium (if any), and interest due on the 2005 Refunded Bonds on the first optional redemption date therefor.

The sufficiency of the amounts on deposit in the Series A Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of the 2005 Refunded Bonds will be verified by Causey Demgen & Moore P.C., as Verification Agent. As a result of the deposit and application of funds so provided in the Series A Escrow Agreement, and assuming the accuracy of the Underwriters' and Verification Agent's computations, the 2005 Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the 2005 Refunded Bonds will be terminated.

The *ad valorem* property taxes levied by the County for the payment of the Series A Refunding Bonds, when collected, shall be kept separate and apart in a fund held by the County and designated as the "Belmont-Redwood Shores School District, 2015 General Obligation Refunding Bonds, Series A Debt Service Fund" (the "Series A Refunding Debt Service Fund") and used only for the payment of principal of and interest on the Series A Refunding Bonds.

Any surplus moneys in the Series A Escrow Fund shall be transferred to the Series A Refunding Debt Service Fund. Any excess proceeds of the Series A Refunding Bonds not needed for the authorized purposes for which the Series A Refunding Bonds are being issued shall be transferred to the Series A Debt Service Fund and applied to the payment of principal of and interest on the Series A Refunding

Bonds. If, after payment in full of the Series A Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District as provided and permitted by law.

Series B Refunding Bonds. The Series B Refunding Bonds are being issued to refund the 2005 Series A Refunded Bonds and pay the costs associated with the issuance of the Series B Refunding Bonds.

The net proceeds from the sale of the Series B Refunding Bonds shall be deposited with The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the "Escrow Agent"), to the credit of the "Belmont-Redwood Shores School District, 2015 General Obligation Refunding Bonds, Series B Escrow Fund" (the "Series B Escrow Fund"). Pursuant to an escrow agreement (the "Series B Escrow Agreement") by and between the District and the Escrow Agent, an amount deposited in the Series B Escrow Fund will be used to purchase certain Federal Securities, as defined in the Series B Refunding Resolution, the principal of and interest on which will be sufficient, together with any moneys deposited in the Series B Escrow Fund and held as cash, to enable the Escrow Agent to pay the principal, redemption premium (if any), and interest due on the 2005 Series A Refunded Bonds on the first optional redemption date therefor.

The sufficiency of the amounts on deposit in the Series B Escrow Fund, together with realizable interest and earnings thereon, to pay the redemption price of the 2005 Series A Refunded Bonds will be verified by Causey Demgen & Moore P.C., as Verification Agent. As a result of the deposit and application of funds so provided in the Series B Escrow Agreement, and assuming the accuracy of the Underwriters' and Verification Agent's computations, the 2005 Series A Refunded Bonds will be defeased and the obligation of the County to levy *ad valorem* taxes for payment of the 2005 Series A Refunded Bonds will be terminated.

The *ad valorem* property taxes levied by the County for the payment of the Series B Refunding Bonds, when collected, shall be kept separate and apart in a fund held by the County and designated as the "Belmont-Redwood Shores School District, 2015 General Obligation Refunding Bonds, Series B Debt Service Fund" (the "Series B Refunding Debt Service Fund," and together with the Series A Debt Service Fund and the Series A Refunding Debt Service Fund, the "Debt Service Funds") and used only for the payment of principal of and interest on the Series B Refunding Bonds.

Any surplus moneys in the Series B Escrow Fund shall be transferred to the Series B Refunding Debt Service Fund. Any excess proceeds of the Series B Refunding Bonds not needed for the authorized purposes for which the Series B Refunding Bonds are being issued shall be transferred to the Series B Debt Service Fund and applied to the payment of principal of and interest on the Series B Refunding Bonds. If, after payment in full of the Series B Refunding Bonds, there remain excess proceeds, any such excess amounts shall be transferred to the general fund of the District as provided and permitted by law.

Moneys in the Debt Service Funds and the Series A Building Fund are expected to be invested through the County's Investment Pool. For more information, see "APPENDIX E – SAN MATEO COUNTY INVESTMENT POOL."

Annual Debt Service

The following table summarizes the annual debt service requirements of the District for the Series A Bonds (assuming no optional redemptions), which are general obligations of the District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the District:

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service Payment
2015	--	$244,605.21	$244,605.21
2016	$2,150,000	1,544,875.00	3,694,875.00
2017	1,325,000	1,501,875.00	2,826,875.00
2018	1,035,000	1,448,875.00	2,483,875.00
2019	1,160,000	1,407,475.00	2,567,475.00
2020	360,000	1,361,075.00	1,721,075.00
2021	425,000	1,353,875.00	1,778,875.00
2022	495,000	1,345,375.00	1,840,375.00
2023	560,000	1,320,625.00	1,880,625.00
2024	680,000	1,292,625.00	1,972,625.00
2025	785,000	1,258,625.00	2,043,625.00
2026	895,000	1,219,375.00	2,114,375.00
2027	1,000,000	1,188,050.00	2,188,050.00
2028	1,120,000	1,145,450.00	2,265,450.00
2029	1,240,000	1,100,650.00	2,340,650.00
2030	1,375,000	1,051,050.00	2,426,050.00
2031	1,515,000	996,050.00	2,511,050.00
2032	1,660,000	935,450.00	2,595,450.00
2033	1,820,000	869,050.00	2,689,050.00
2034	2,005,000	778,050.00	2,783,050.00
2035	2,200,000	677,800.00	2,877,800.00
2036	2,415,000	567,800.00	2,982,800.00
2037	2,615,000	471,200.00	3,086,200.00
2038	2,825,000	366,600.00	3,191,600.00
2039	3,050,000	253,600.00	3,303,600.00
2040	3,290,000	131,600.00	3,421,600.00
Total:	$38,000,000	$25,831,680.21	$63,831,680.21

(1) Interest payments on Series A Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

The following table summarizes the annual debt service requirements of the District for the Series A Refunding Bonds (assuming no optional redemptions), which are general obligations of the District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the District:

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service Payment
2015	$115,000	$32,363.33	$147,363.33
2016	710,000	202,100.00	912,100.00
2017	755,000	187,900.00	942,900.00
2018	790,000	172,800.00	962,800.00
2019	835,000	149,100.00	984,100.00
2020	885,000	124,050.00	1,009,050.00
2021	940,000	97,500.00	1,037,500.00
2022	1,010,000	50,500.00	1,060,500.00
Total:	$6,040,000	$1,016,313.33	$7,056,313.33

(1) Interest payments on the Series A Refunding Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

The following table summarizes the annual debt service requirements of the District for the Series B Refunding Bonds (assuming no optional redemptions), which are general obligations of the District payable solely from *ad valorem* property taxes on all property subject to taxation within the boundaries of the Improvement District:

Year Ending (August 1)	Annual Principal Payment	Annual Interest Payment[(1)]	Total Annual Debt Service Payment
2015	$395,000	$153,955.42	$548,955.42
2016	--	964,450.00	964,450.00
2017	--	964,450.00	964,450.00
2018	540,000	964,450.00	1,504,450.00
2019	625,000	942,850.00	1,567,850.00
2020	720,000	917,850.00	1,637,850.00
2021	815,000	889,050.00	1,704,050.00
2022	925,000	856,450.00	1,781,450.00
2023	1,045,000	810,200.00	1,855,200.00
2024	1,175,000	757,950.00	1,932,950.00
2025	1,320,000	699,200.00	2,019,200.00
2026	1,475,000	633,200.00	2,108,200.00
2027	1,635,000	559,450.00	2,194,450.00
2028	1,810,000	477,700.00	2,287,700.00
2029	2,000,000	387,200.00	2,387,200.00
2030	2,195,000	287,200.00	2,482,200.00
2031	2,390,000	199,400.00	2,589,400.00
2032	2,595,000	103,800.00	2,698,800.00
Total:	$21,660,000	$11,568,805.42	$33,228,805.42

(1) Interest payments on the Series B Refunding Bonds will be made semiannually on February 1 and August 1 of each year, commencing August 1, 2015.

See "DISTRICT FINANCIAL INFORMATION – School District Debt Structure – General Obligation Bonds" for a schedule of the total annual debt service requirements for all of the District's outstanding general obligation bonds.

Redemption

Optional Redemption of Series A Bonds. The Series A Bonds maturing on or before August 1, 2025 are not subject to redemption prior to their stated maturity dates. The Series A Bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2025, at a redemption price equal to the principal amount of the Series A Bonds selected for redemption, without premium, together with interest accrued thereon to the date of redemption.

Mandatory Sinking Fund Redemption of Series A Bonds. The Series A Term Bonds maturing on August 1, 2040, are subject to redemption prior to maturity from mandatory sinking fund payments on August 1 of each year, on and after August 1, 2036, at a redemption price equal to the principal amount thereof, together with accrued interest to the date fixed for redemption, without premium. The principal amount of such Series A Term Bonds to be so redeemed and the dates therefor and the final principal payment date is as indicated in the following table:

Redemption Date (August 1)		Principal Amount
2036		$2,415,000
2037		2,615,000
2038		2,825,000
2039		3,050,000
2040[1]		3,290,000
	Total:	$14,195,000

[1] Maturity.

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

Optional Redemption of Series A Refunding Bonds. The Series A Refunding Bonds are not subject to redemption prior to their stated maturity date.

Optional Redemption of Series B Refunding Bonds. The Series B Refunding Bonds maturing on or before August 1, 2025 are not subject to redemption. The Series B Refunding Bonds maturing on or after August 1, 2026 are subject to redemption prior to their respective stated maturity dates, at the option of the District, from any source of available funds, in whole or in part, on any date on or after August 1, 2025, at a redemption price equal to the principal amount of the Series B Refunding Bonds selected for redemption, without premium, together with interest accrued thereon to the date of redemption.

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

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

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

"Information Services" means Financial Information, Inc.'s "Daily Called Bond Service," 1 Cragwood Road, 2nd Floor, South Plainfield, New Jersey 07080, Attention: Editor; Mergent Inc., 585 Kingsley Park Drive, Fort Mill, South Carolina 29715, Attention: Called Bond Department; and Standard and Poor's J.J. Kenny Information Services' "Called Bond Record," 55 Water Street, 45th Floor, New York, New York 10041.

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

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

Payment of Redeemed Bonds. When Redemption Notice has been given substantially as described above, and, when the amount necessary for the redemption of the Bonds called for redemption (principal, interest, and premium, if any) is set aside for that purpose as described in "– Defeasance," as described below, the Bonds designated for redemption in such notice will become due and payable on the date fixed for redemption thereof and upon presentation and surrender of said Bonds at the place specified in the Redemption Notice with the form of assignment endorsed thereon executed in blank, said Bonds will be redeemed and paid at the redemption price thereof. All unpaid interest payable at or prior to the redemption date will continue to be payable to the respective Owners, but without interest thereon.

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

Effect of Redemption Notice. If on the applicable designated redemption date, money for the redemption of the Bonds to be redeemed, together with interest to such redemption date, is held by an independent escrow agent selected by the District, so as to be available therefor on such redemption date, and if Redemption Notice thereof will have been given substantially as described above, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable.

Rescission of Redemption Notice. With respect to any Redemption Notice of Bonds as described above, unless upon the giving of such notice such Refunding Bonds shall be deemed to have been defeased as described in "– Defeasance," such notice will state that such redemption will be conditional upon the receipt by the independent escrow agent selected by the District on or prior to the date fixed for such redemption of the moneys necessary and sufficient to pay the principal of, premium, if any, and interest on such Bonds to be redeemed, and that if such moneys shall not have been so received, said notice shall be of no force and effect, the Bonds shall not be subject to redemption on such date and the

Bonds shall not be required to be redeemed on such date. In the event that such Redemption Notice contains such a condition and such moneys are not so received, the redemption will not be made and the Paying Agent will within a reasonable time thereafter give notice, to the persons to whom and in the manner in which the Redemption Notice was given, that such moneys were not so received.

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

Transfer and Exchange of Bonds

Any Bond may be exchanged for Bonds of like tenor, maturity and Transfer Amount (which with respect to any outstanding Bonds means the principal amount thereof) upon presentation and surrender at the principal office of the Paying Agent, together with a request for exchange signed by the registered Owner or by a person legally empowered to do so in a form satisfactory to the Paying Agent. A Bond may be transferred only on the Bond Register by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation at the office of the Paying Agent, accompanied by delivery of a written instrument of transfer in a form approved by the Paying Agent, duly executed. Upon exchange or transfer, the Paying Agent shall register, authenticate and deliver a new Bond or Bonds of like tenor and of any authorized denomination or denominations requested by the Owner equal to the Transfer Amount of the Bond surrendered and bearing interest at the same rate and maturing on the same date.

Neither the District nor the Paying Agent will be required (a) to issue or transfer any Bonds during a period beginning with the opening of business on the 1st business day next preceding any Bond Payment Date, the stated maturity of any of the Bonds or any date of selection of Bonds to be redeemed and ending with the close of business on the applicable Bond Payment Date, the close of business on the applicable stated maturity date or any day on which the applicable Redemption Notice is given or (b) to transfer any Bonds which have been selected or called for redemption in whole or in part.

Defeasance

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

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

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

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

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

ESTIMATED SOURCES AND USES OF FUNDS

Series A Bonds. The proceeds of the Series A Bonds of the District are expected to be applied as follows:

	Total
Sources of Funds	
Principal Amount of Bonds	$38,000,000.00
Net Original Issue Premium	2,216,588.45
Total Sources	$40,216,588.45
Uses of Funds	
Deposit to Series A Building Fund	$37,606,075.34
Deposit to Series A Debt Service Fund	2,216,588.45
Costs of Issuance[1]	393,924.66
Total Uses	$40,216,588.45

[1] Reflects all costs of issuance, including the underwriting discount, legal and financial advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent.

Series A Refunding Bonds. The proceeds of the Series A Refunding Bonds of the District are expected to be applied as follows:

Sources of Funds	Total
Principal Amount of Bonds	$6,040,000.00
Net Original Issue Premium	573,738.15
Total Sources	$6,613,738.15
Uses of Funds	
Deposit to Series A Escrow Fund	$6,553,975.00
Costs of Issuance [1]	59,763.15
Total Uses	$6,613,738.15

[1] Reflects all costs of issuance, including the underwriting discount, legal and financial advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, the Verification Agent and the Escrow Agent.

Series B Refunding Bonds. The proceeds of the District's Series B Refunding Bonds for the Improvement District are expected to be applied as follows:

Sources of Funds	Total
Principal Amount of Bonds	$21,660,000.00
Net Original Issue Premium	2,726,204.55
Total Sources	$24,386,204.55
Uses of Funds	
Deposit to Series B Escrow Fund	$24,171,499.53
Costs of Issuance [1]	214,705.02
Total Uses	$24,386,204.55

[1] Reflects all costs of issuance, including the underwriting discount, legal and financial advisory fees, printing costs, rating agency fees, and the costs and fees of the Paying Agent, the Verification Agent and the Escrow Agent.

TAX BASE FOR REPAYMENT OF BONDS

The information in this section describes ad valorem *property taxation, assessed valuation, and other measures of the tax base of the District and the Improvement District. The District-wide Bonds are payable solely from* ad valorem *property taxes levied and collected by the County on taxable property in the District. The Series B Refunding Bonds are payable solely from* ad valorem *property taxes levied and collected by the County on taxable property within the boundaries of the Improvement District. The District's general fund is not a source for the repayment of the Bonds.*

Ad Valorem Property Taxation

District property taxes are assessed and collected by the County at the same time and on the same rolls as county, city and special district property taxes. Assessed valuations are the same for Improvement District, District and the County's taxing purposes.

Taxes are levied for each fiscal year on taxable real and personal property which is located in the District as of the preceding January 1. For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State assessed public utilities property and real property having a tax lien which is sufficient, in the opinion of the assessor, to secure payment of the taxes. Other property is assessed on the "unsecured roll." A supplemental roll is developed when property changes hands or new construction is completed. Each county levies and collects all property taxes for property falling within that county's taxing boundaries.

The valuation of secured property is established as of January 1 and is subsequently equalized in August. Property taxes on the secured roll are due in two installments, November 1 and February 1 of the fiscal year. If unpaid, such taxes become delinquent after December 10 and April 10, respectively, and a 10% penalty attaches to any delinquent installment plus a $10 cost on the second installment, plus any additional amount determined by the Treasurer-Tax Collector of the County. Property on the secured roll with delinquent taxes is declared tax-defaulted on or about June 30 of the calendar year. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a minimum $15 redemption fee and a redemption penalty of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to sale by the tax-collecting authority of the relevant county.

Property taxes on the unsecured roll are due as of the January 1 lien date and become delinquent if they are not paid by August 31. In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1 of the fiscal year, and a lien may be recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the assessee; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the assessee; (3) filing a certificate of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the assessee; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the assessee.

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

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

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies, including 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.

This section presents information about the District's assessed valuation followed by information about the Improvement District's assessed valuation.

District Assessed Valuations

The following table sets forth the 10-year history of assessed valuations in the District.

ASSESSED VALUATIONS
Fiscal Years 2005-06 through 2014-15
Belmont-Redwood Shores School District

	Local Secured(1)	Utility(1)	Unsecured(1)	Total(1)	Total Annual % Change(2)
2005-06	$7,867,551,122	$447,009	$239,688,054	$8,107,686,185	--
2006-07	8,486,620,048	382,338	217,920,193	8,704,922,579	7.37%
2007-08	8,986,205,201	94,090	280,739,201	9,267,038,492	6.46
2008-09	9,587,542,232	94,090	239,849,133	9,827,485,455	6.05
2009-10	9,706,513,152	94,090	277,235,039	9,983,842,281	1.59
2010-11	9,638,448,415	94,090	319,627,976	9,958,170,481	(0.26)
2011-12	9,755,261,365	94,080	316,420,277	10,071,775,722	1.14
2012-13	10,066,488,326	94,080	307,734,718	10,374,317,124	3.00
2013-14	10,651,923,439	94,080	460,458,341	11,112,475,860	7.12
2014-15	11,106,838,634	94,080	349,127,936	11,456,060,650	3.09

(1) *Source: California Municipal Statistics, Inc.*
(2) *Source: Stifel, Nicolaus & Company, Incorporated.*

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

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution."

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

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

District Assessed Valuation and Parcels by Land Use

The following is an analysis of the District's fiscal year 2014-15 assessed valuation (excluding utility and unsecured property) by land use.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2014-15
Belmont-Redwood Shores School District

Non-Residential:	2014-15 Assessed Valuation [1]	% of Total	No. of Parcels	% of Total
Commercial	$2,059,279,138	18.54%	249	1.82%
Industrial	309,234,683	2.78	177	1.29
Recreational	31,277,301	0.28	30	0.22
Government/Social/Institutional	68,762,954	0.62	55	0.40
Miscellaneous	14,089,419	0.13	21	0.15
Subtotal Non-Residential	$2,482,643,495	22.35%	532	3.89%
Residential:				
Single Family Residence	$6,293,026,185	56.66%	9,649	70.59%
Condominium/Townhouse	1,395,969,108	12.57	2,782	20.35
Mobile Home	16,711	0.00	2	0.01
Mobile Home Park	1,071,888	0.01	3	0.02
Hotel	135,338,855	1.22	9	0.07
2-4 Residential Units	50,085,161	0.45	148	1.08
5+ Residential Units/Apartments	698,361,166	6.29	161	1.18
Subtotal Residential	$8,573,869,074	77.19%	12,754	93.30%
Vacant Parcels	$50,326,065	0.45%	384	2.81%
Total	$11,106,838,634	100.00%	13,670	100.00%

[1] Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

District Assessed Valuation of Single Family Homes

The following table displays the fiscal year 2014-15 assessed valuations of single family residential parcels within the District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2014-15
Belmont-Redwood Shores School District

	No. of Parcels	2014-15 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	9,649	$6,293,026,185	$652,195	$638,182

2014-15 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	343	3.555%	3.555%	$29,590,866	0.470%	0.470%
100,000 - 199,999	1,264	13.100	16.655	173,150,829	2.751	3.222
200,000 - 299,999	611	6.332	22.987	153,723,437	2.443	5.664
300,000 - 399,999	663	6.871	29.858	233,486,705	3.710	9.375
400,000 - 499,999	858	8.892	38.750	386,624,356	6.144	15.518
500,000 - 599,999	793	8.218	46.969	434,828,326	6.910	22.428
600,000 - 699,999	742	7.690	54.659	481,532,885	7.652	30.080
700,000 - 799,999	900	9.327	63.986	675,896,571	10.740	40.820
800,000 - 899,999	884	9.162	73.147	751,388,447	11.940	52.760
900,000 - 999,999	808	8.374	81.521	765,639,298	12.166	64.927
1,000,000 - 1,099,999	556	5.762	87.284	581,179,096	9.235	74.162
1,100,000 - 1,199,999	389	4.032	91.315	444,877,030	7.069	81.231
1,200,000 - 1,299,999	306	3.171	94.486	381,070,043	6.055	87.287
1,300,000 - 1,399,999	222	2.301	96.787	298,789,437	4.748	92.035
1,400,000 - 1,499,999	111	1.150	97.938	160,664,231	2.553	94.588
1,500,000 - 1,599,999	72	0.746	98.684	110,886,820	1.762	96.350
1,600,000 - 1,699,999	47	0.487	99.171	77,508,299	1.232	97.582
1,700,000 - 1,799,999	39	0.404	99.575	68,002,030	1.081	98.662
1,800,000 - 1,899,999	19	0.197	99.772	34,942,041	0.555	99.217
1,900,000 - 1,999,999	8	0.083	99.855	15,500,399	0.246	99.464
2,000,000 and greater	14	0.145	100.000	33,745,039	0.536	100.000
Total	9,649	100.000%		$6,293,026,185	100.000%	

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

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District Assessed Valuation By Jurisdiction

The following table shows a breakdown of the District's fiscal year 2014-15 assessed valuation by jurisdiction.

ASSESSED VALUATION BY JURISDICTION[(1)]
Fiscal Year 2014-15
Belmont-Redwood Shores School District

Jurisdiction:	Assessed Valuation in District	% of District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Belmont	$5,393,539,722	47.08%	$5,393,539,722	100.00%
City of Foster City	14,441,284	0.13	7,814,046,376	0.18
City of Redwood City	4,996,727,706	43.62	17,196,118,969	29.06
City of San Carlos	418,829,852	3.66	7,964,970,123	5.26
City of San Mateo	492,255,852	4.30	19,484,516,262	2.53
Unincorporated San Mateo County	140,266,234	1.22	16,727,833,630	0.84
Total District	$11,456,060,650	100.00%		
San Mateo County	$11,456,060,650	100.00%	$165,757,406,470	6.91%

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

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District Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies within the District, and amounts delinquent as of June 30, for the fiscal years 2006-07 through 2013-14.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2006-07 through 2013-14
Belmont-Redwood Shores School District

	Secured Tax Charge[1]	Amt. Del. June 30	% Del. June 30
2006-07	$783,833.61	$8,468.83	1.08%
2007-08	774,724.98	10,450.47	1.35
2008-09	799,732.64	12,092.18	1.51
2009-10	796,823.50	10,643.29	1.34
2010-11	875,132.40	6,855.13	0.78
2011-12	1,898,414.78	11,181.23	0.59
2012-13	1,972,959.32	7,316.63	0.37
2013-14	1,933,899.63	6,734.88	0.35

(1) Entire District's general obligation bond debt service levy.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of the County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the principal of and interest on the District-wide Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the District-wide Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commence on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

District Principal Taxpayers

The following table lists the major taxpayers in the District in terms of their 2014-15 secured assessed valuations.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2014-15
Belmont-Redwood Shores School District

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total [1]
1.	Oracle Corporation	Office Building	$628,740,370	5.66%
2.	Westport Office Park LLC	Office Building	267,216,689	2.41
3.	Electronic Arts Inc.	Office Building	214,400,772	1.93
4.	SPK-Towers @ Shores Center LLC	Office Building	123,939,123	1.12
5.	Tishman Speyer Archstone-Smith	Apartments	120,676,612	1.09
6.	PLCP SF Bay Hotel Ownerco LLC	Hotel	78,120,925	0.70
7.	CA-Shorebreeze Office LP	Office Building	77,845,565	0.70
8.	Aimco Scotchollow Apartments LP	Apartments	76,068,427	0.68
9.	SPK-Twin Dolphin Plaza LLC	Office Building	69,948,008	0.63
10.	CA 333 Twin Dolphin Office LP	Office Building	63,827,557	0.57
11.	Hines VAF II 600 Clipper LP	Office Building	53,575,372	0.48
12.	Carlmont Woods II LLC	Apartments	50,168,538	0.45
13.	MCP Paragon Point LLC	Office Building	48,529,278	0.44
14.	Nikon Precision Inc.	Office Building	45,841,100	0.41
15.	BMR-201 Industrial Rd. LLC	Industrial	39,026,759	0.35
16.	Provident Central Credit Union	Office Building	37,419,345	0.34
17.	Lido LLC	Apartments	36,983,876	0.33
18.	Realty Associates Fund VII LP	Office Building	35,079,287	0.32
19.	Bay Club Peninsula LLC	Health Club	31,277,301	0.28
20.	Prime Old Country LP	Apartments	30,265,392	0.27
			$2,128,950,296	19.17%

[1] 2014-15 Local Secured Assessed Valuation: $11,106,838,634.
Source: California Municipal Statistics, Inc.

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District Tax Rates

A representative tax rate area ("TRA") located within the District is TRA 3-025. The table below demonstrates the total *ad valorem* property tax rates levied as a percentage of assessed valuation by all taxing entities in this TRA during the five-year period from 2010-11 through 2014-15.

SUMMARY OF *AD VALOREM* TAX RATES(1)
TRA 3-025
Fiscal Years 2010-11 through 2014-15
Belmont-Redwood Shores School District

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Belmont-Redwood Shores School District	.0092	.0197	.0197	.0183	.0182
Belmont-Redwood Shores Belmont SFID	--	.0248	.0242	.0259	.0246
Sequoia Union High School District	.0311	.0358	.0356	.0313	.0433
San Mateo Community College District	.0193	.0199	.0194	.0194	.0190
Total	1.0596%	1.1002%	1.0989%	1.0949%	1.1051%

(1) 2014-15 assessed valuation of TRA 3-025 is $3,366,243,609 which is 29.38% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

District Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "District Debt Report") prepared by California Municipal Statistics, Inc., dated February 10, 2015, and effective for debt issued as of May 1, 2015. The District Debt Report is included for general information purposes only. The District has not reviewed the District Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the District in whole or in part. 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.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Belmont-Redwood Shores School District

2014-15 Assessed Valuation: $11,456,060,650

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/15 [1]
San Mateo Community College District	6.911%	$37,171,504
Sequoia Union High School District	16.651	72,054,705
Belmont-Redwood Shores School District	**100.000**	**31,558,600** [2]
Belmont-Redwood Shores School District - Redwood Shores School Facilities Improvement District	100.000	22,880,000
Belmont-Redwood Shores School District - Belmont School Facilities Improvement District	100.000	34,941,421
City of San Carlos	5.258	320,475
City of San Mateo	2.526	636,805
City of Belmont Community Facilities District No. 2000-1	100.000	6,605,000
City of Redwood City Community Facilities District No. 99-1	94.946	8,872,704
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$215,041,214
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	6.911%	$31,795,079
San Mateo County Board of Education Certificates of Participation	6.911	756,755
City of Redwood City General Fund Obligations	29.057	691,092
City of San Carlos Certificates of Participation	5.258	462,704
City of San Mateo General Fund Obligations	2.526	884,858
Midpeninsula Regional Park District General Fund Obligations	2.690	3,418,636
TOTAL OVERLAPPING GENERAL FUND DEBT		$38,009,124
OVERLAPPING TAX INCREMENT DEBT:		$14,616,787
COMBINED TOTAL DEBT		$267,667,125 [3]

(1) Excludes any bonds sold between 2/10/15 (date report prepared) and 5/1/15.
(2) Excludes general obligation bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:
Direct Debt ($31,558,600)..0.28%
Total Direct and Overlapping Tax and Assessment Debt...... 1.88%
Combined Total Debt 2.34%

Ratios to Redevelopment Incremental Valuation ($1,023,782,281):
Total Overlapping Tax Increment Debt................................ 1.43%

Source: California Municipal Statistics, Inc.

Improvement District Assessed Valuations

The following table sets forth the history of assessed valuations in the Improvement District.

ASSESSED VALUATIONS
Fiscal Years 2005-06 through 2014-15
Redwood Shores School Facilities Improvement District

	Local Secured[1]	Utility[1]	Unsecured[1]	Total[1]	Total Annual % Change[2]
2005-06	N/A	N/A	N/A	$3,919,904,224	--
2006-07	$4,104,711,393	--	$5,798,472	4,110,509,865	4.86%
2007-08	4,313,417,762	--	56,359,118	4,369,776,880	6.31
2008-09	4,608,197,875	--	55,570,698	4,663,768,573	6.73
2009-10	4,640,510,777	--	63,106,412	4,703,617,189	0.85
2010-11	4,573,859,251	--	164,105,175	4,737,964,426	0.73
2011-12	4,629,893,406	--	157,382,916	4,787,276,322	1.04
2012-13	4,775,298,564	--	163,126,303	4,938,424,867	3.16
2013-14	5,007,773,633	--	189,221,088	5,196,994,721	5.24
2014-15	5,169,861,274	--	177,156,344	5,347,017,618	2.89

(1) *Source: California Municipal Statistics, Inc.*
(2) *Source: Stifel, Nicolaus & Company, Incorporated.*

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

Appeals and Adjustments of Assessed Valuations. Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. County assessors may independently reduce assessed values as well based upon the above factors or reductions in the fair market value of the taxable property. In most cases, an appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. Any reduction in the assessment ultimately granted as a result of such appeal applies to the year for which application is made and during which the written application was filed. Such reductions are subject to yearly reappraisals and may be adjusted back to their original values when market conditions improve. Once the property has regained its prior value, adjusted for inflation, it once again is subject to the annual inflationary factor growth rate allowed under Article XIIIA. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Article XIIIA of the California Constitution."

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

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

Improvement District Assessed Valuation and Parcels by Land Use

The following is an analysis of the Improvement District's fiscal year 2014-15 assessed valuation (excluding utility and unsecured property) by land use.

ASSESSED VALUATION AND PARCELS BY LAND USE
Fiscal Year 2014-15
Redwood Shores School Facilities Improvement District

	2014-15	% of	No. of	% of
Non-Residential:	Assessed Valuation [1]	Total	Parcels	Total
Commercial	$1,837,871,501	35.55%	71	1.55%
Industrial	5,562,666	0.11	3	0.07
Recreational	31,277,301	0.60	11	0.24
Government/Social/Institutional	791,139	0.02	6	0.13
Miscellaneous	12,612,408	0.24	40	0.87
Subtotal Non-Residential	$1,888,115,015	36.52%	131	2.86%
Residential:				
Single Family Residence	$1,879,121,433	36.35%	2,423	52.86%
Condominium/Townhouse	1,065,186,413	20.60	1,939	42.30
Hotel	123,551,387	2.39	4	0.09
5+ Residential Units/Apartments	195,249,483	3.78	5	0.11
Subtotal Residential	$3,263,108,716	63.12%	4,371	95.35%
Vacant Parcels	$18,637,543	0.36%	82	1.79%
Total	$5,169,861,274	100.00%	4,584	100.00%

[1] Local Secured Assessed Valuation, excluding tax-exempt property.
Source: California Municipal Statistics, Inc.

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Improvement District Assessed Valuation of Single Family Homes

The following table displays the fiscal year 2014-15 assessed valuations of single family residential parcels within the Improvement District.

ASSESSED VALUATION OF SINGLE FAMILY HOMES
Fiscal Year 2014-15
Redwood Shores School Facilities Improvement District

	No. of Parcels	2014-15 Assessed Valuation	Average Assessed Valuation	Median Assessed Valuation
Single Family Residential	2,423	$1,879,121,433	$775,535	$756,202

2014-15 Assessed Valuation	No. of Parcels [1]	% of Total	Cumulative % of Total	Total Valuation	% of Total	Cumulative % of Total
$0 - $99,999	12	0.495%	0.495%	$1,087,566	0.058%	0.058%
100,000 - 199,999	132	5.448	5.943	19,014,093	1.012	1.070
200,000 - 299,999	119	4.911	10.854	30,443,171	1.620	2.690
300,000 - 399,999	122	5.035	15.889	42,707,430	2.273	4.963
400,000 - 499,999	208	8.584	24.474	94,295,887	5.018	9.981
500,000 - 599,999	222	9.162	33.636	121,256,074	6.453	16.433
600,000 - 699,999	233	9.616	43.252	151,587,869	8.067	24.500
700,000 - 799,999	279	11.515	54.767	208,728,239	11.108	35.608
800,000 - 899,999	248	10.235	65.002	211,115,587	11.235	46.843
900,000 - 999,999	209	8.626	73.628	198,137,482	10.544	57.387
1,000,000 - 1,099,999	162	6.686	80.314	169,671,884	9.029	66.416
1,100,000 - 1,199,999	147	6.067	86.381	168,110,793	8.946	75.363
1,200,000 - 1,299,999	124	5.118	91.498	154,200,441	8.206	83.569
1,300,000 - 1,399,999	86	3.549	95.047	115,897,174	6.168	89.736
1,400,000 - 1,499,999	32	1.321	96.368	46,241,172	2.461	92.197
1,500,000 - 1,599,999	30	1.238	97.606	46,385,362	2.468	94.666
1,600,000 - 1,699,999	26	1.073	98.679	42,759,355	2.275	96.941
1,700,000 - 1,799,999	20	0.825	99.505	34,711,348	1.847	98.788
1,800,000 - 1,899,999	7	0.289	99.794	12,832,198	0.683	99.471
1,900,000 - 1,999,999	3	0.124	99.917	5,829,364	0.310	99.781
2,000,000 and greater	2	0.083	100.000	4,108,944	0.219	100.000
Total	2,423	100.000%		$1,879,121,433	100.000%	

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

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Improvement District Assessed Valuation By Jurisdiction

The following table shows a breakdown of the Improvement District's fiscal year 2014-15 assessed valuation by jurisdiction.

ASSESSED VALUATION BY JURISDICTION[(1)]
Fiscal Year 2014-15
Redwood Shores School Facilities Improvement District

Jurisdiction:	Assessed Valuation in SFID	% of SFID	Assessed Valuation of Jurisdiction	% of Jurisdiction in SFID
City of Belmont	$334,218,603	6.25%	$5,393,539,722	6.20%
City of Redwood City	4,995,590,060	93.43	17,196,118,969	29.05
City of San Carlos	17,208,955	0.32	7,964,970,123	0.22
Total District	$5,347,017,618	100.00%		
San Mateo County	$5,347,017,618	100.00%	$165,757,406,470	3.23%

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

Improvement District Tax Levies, Collections and Delinquencies

The following table shows secured *ad valorem* property tax levies within the Improvement District, and amounts delinquent as of June 30, for the fiscal years 2006-07 through 2013-14.

SECURED TAX CHARGES AND DELINQUENCIES
Fiscal Years 2006-07 through 2013-14
Redwood Shores School Facilities Improvement District

	Secured Tax Charge (1)	Amt. Del. June 30	% Del. June 30
2006-07	$1,217,166.96	$10,119.12	0.83%
2007-08	1,175,707.79	10,500.19	0.89
2008-09	1,318,773.48	12,453.38	0.94
2009-10	1,139,898.85	9,150.16	0.80
2010-11	1,157,026.94	10,691.97	0.92
2011-12	1,236,258.77	5,280.30	0.43
2012-13	1,364,592.78	5,007.16	0.37
2013-14	1,305,480.81	4,330.44	0.33

(1) School Facilities Improvement District Election of 2005, Series A General Obligation Bond debt service levy.
Source: California Municipal Statistics, Inc.

Alternative Method of Tax Apportionment – "Teeter Plan"

The Board of Supervisors of the County has implemented the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"), as provided for in Section 4701 et seq. of the California Revenue and Taxation Code. Under the Teeter Plan, the County apportions secured property taxes on an accrual basis when due (irrespective of actual collections) to its local political subdivisions, including the District, for which the County acts as the tax-levying or tax-collecting agency.

The Teeter Plan is applicable to all tax levies for which the County acts as the tax-levying or tax-collecting agency, or for which the County treasury is the legal depository of the tax collections. As adopted by the County, the Teeter Plan excludes Mello-Roos Community Facilities Districts and special assessment districts which provide for accelerated judicial foreclosure of property for which assessments are delinquent.

The *ad valorem* property tax to be levied to pay the principal of and interest on the Series B Refunding Bonds will be subject to the Teeter Plan. The District will receive 100% of the *ad valorem* property tax levied to pay the Series B Refunding Bonds irrespective of actual delinquencies in the collection of the tax by the County.

The Teeter Plan is to remain in effect unless the Board of Supervisors of the County orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commence on July 1), the Board of Supervisors receives a petition for its discontinuance joined in by a resolution adopted by at least two-thirds of the participating revenue districts in the County. In the event the Board of Supervisors is to order discontinuance of the Teeter Plan subsequent to its implementation, only those secured property taxes actually collected would be allocated to political subdivisions (including the District) for which the County acts as the tax-levying or tax-collecting agency.

Improvement District Principal Taxpayers

The following table lists the major taxpayers in the Improvement District in terms of their 2014-15 secured assessed valuations.

LARGEST LOCAL SECURED TAXPAYERS
Fiscal Year 2014-15
Redwood Shores School Facilities Improvement District

	Property Owner	Primary Land Use	2014-15 Assessed Valuation	% of Total [1]
1.	Oracle Corporation	Office Building	$628,740,370	12.16%
2.	Westport Office Park LLC	Office Building	267,216,689	5.17
3.	Electronic Arts Inc.	Office Building	214,400,772	4.15
4.	SPK-Towers @ Shores Center LLC	Office Building	123,939,123	2.40
5.	Tishman Speyer Archstone-Smith	Apartments	120,676,612	2.33
6.	PLCP SF Bay Hotel Ownerco LLC	Hotel	78,120,925	1.51
7.	CA-Shorebreeze Office LP	Office Building	77,845,565	1.51
8.	SPK-Twin Dolphin Plaza LLC	Office Building	69,948,008	1.35
9.	CA 333 Twin Dolphin Office LP	Office Building	63,827,557	1.23
10.	Hines VAF II 600 Clipper LP	Office Building	53,575,372	1.04
11.	MCP Paragon Point LLC	Office Building	48,529,278	0.94
12.	Nikon Precision Inc.	Office Building	45,841,100	0.89
13.	Provident Credit Central Union	Office Building	37,419,345	0.72
14.	Lido LLC	Apartments	36,983,876	0.72
15.	Realty Associates Fund VII LP	Office Building	35,079,287	0.68
16.	Bay Club Peninsula LLC	Health Club	31,277,301	0.60
17.	Indian Creek Garden Apartments	Apartments	28,787,692	0.56
18.	Shapell Norcal Rental Prop LLC	Shopping Center	25,851,663	0.50
19.	Hines VAF No Cal Properties LP	Office Building	25,137,562	0.49
20.	KW Redwood Shores LLC	Office Building	22,066,729	0.43
			$2,035,264,826	39.37%

[1] 2014-15 Local Secured Assessed Valuation: $5,169,861,274.
Source: California Municipal Statistics, Inc.

Improvement District Tax Rates

A representative tax rate area ("TRA") located within the Improvement District is TRA 9-122. The table below demonstrates the total *ad valorem* property tax rates levied as a percentage of assessed valuation by all taxing entities in this TRA during the five-year period from 2010-11 through 2014-15.

SUMMARY OF AD VALOREM TAX RATES(1)
TRA 9-122
Fiscal Years 2010-11 through 2014-15
Redwood Shores School Facilities Improvement District

	2010-11	2011-12	2012-13	2013-14	2014-15
General	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
Belmont-Redwood Shores School District	.0092	.0197	.0197	.0183	.0182
Belmont-Redwood Shores Redwood Shores SFID	.0257	.0271	.0286	.0263	.0265
Sequoia Union High School District	.0311	.0358	.0356	.0313	.0433
San Mateo Community College District	.0193	.0199	.0194	.0194	.0190
Total	1.0853%	1.1025%	1.1033%	1.0953%	1.1070%

(1) 2014-15 assessed valuation of TRA 9-122 is $2,519,770,397 which is 47.12% of the district's total assessed valuation.
Source: California Municipal Statistics, Inc.

Improvement District Statement of Direct and Overlapping Debt

Set forth below is a direct and overlapping debt report (the "Improvement District Debt Report") prepared by California Municipal Statistics, Inc., dated February 10, 2015, and effective for debt issued as of May 1, 2015. The Improvement District Debt Report is included for general information purposes only. The District has not reviewed the Improvement District Debt Report for completeness or accuracy and makes no representation in connection therewith.

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

The first column in the table names each public agency which has outstanding debt as of the date of the report and whose territory overlaps the Improvement District in whole or in part. Column 2 shows the percentage of each overlapping agency's assessed value located within the boundaries of the Improvement 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 Improvement District.

STATEMENT OF DIRECT AND OVERLAPPING BONDED DEBT
Redwood Shores School Facilities Improvement District

2014-15 Assessed Valuation: $5,347,017,618

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 5/1/15 [1]
San Mateo Community College District	3.226%	$17,351,363
Sequoia Union High School District	7.772	33,632,164
Belmont-Redwood Shores School District	46.674	14,729,661
Belmont-Redwood Shores School District		
Redwood Shores School Facilities Improvement District	**100.000**	**22,880,000** [2]
City of San Carlos	0.216	13,165
City of Belmont Community Facilities District No. 2000-1	6.197	409,312
City of Redwood City Community Facilities District No. 99-1	94.946	8,872,704
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$97,888,369
OVERLAPPING GENERAL FUND DEBT:		
San Mateo County General Fund Obligations	3.226%	$14,841,691
San Mateo County Board of Education Certificates of Participation	3.226	353,247
City of Redwood City General Fund Obligations	29.051	690,949
San Mateo County Mosquito Abatement District Certificates of Participation	0.216	19,008
Midpeninsula Regional Park District General Fund Obligations	2.441	3,102,190
TOTAL OVERLAPPING GENERAL FUND DEBT		$19,007,085
OVERLAPPING TAX INCREMENT DEBT:		$4,455,273
COMBINED TOTAL DEBT		$121,350,727 [3]

(1) Excludes any bonds sold between 2/10/15 (date report prepared) and 5/1/15.
(2) Excludes general obligation bonds to be sold.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.

Ratios to 2014-15 Assessed Valuation:
Direct Debt ($22,880,000) 0.43%
Total Direct and Overlapping Tax and Assessment Debt............1.83%
Combined Total Debt 2.27%

Ratios to Redevelopment Incremental Valuation ($351,134,566):
Total Overlapping Tax Increment Debt......................................1.27%

Source: California Municipal Statistics, Inc.

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CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

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

Article XIIIA of the California Constitution

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

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

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

Legislation Implementing Article XIIIA

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

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

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

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

Unitary Property

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

The California electric utility industry has been undergoing significant changes in its structure and in the way in which components of the industry are regulated and owned. Sale of electric generation assets to largely unregulated, nonutility companies may affect how those assets are assessed, and which local agencies are to receive the property taxes. The District is unable to predict the impact of these changes on its utility property tax revenues, or whether legislation may be proposed or adopted in response to industry restructuring, or whether any future litigation may affect ownership of utility assets or the State's methods of assessing utility property and the allocation of assessed value to local taxing agencies, including the District. So long as the District is not a basic aid district, taxes lost through any reduction in assessed valuation will be compensated by the State as equalization aid under the State's school financing formula. The District is a basic aid district in fiscal year 2014-15, but expects to receive state funding based upon average daily attendance ("ADA") for fiscal year 2015-16 and future years. See "DISTRICT FINANCIAL INFORMATION" herein.

Article XIIIB of the California Constitution

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

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

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

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

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

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

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

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

Article XIIIC and Article XIIID 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 XIIIC and XIIID (respectively, "Article XIIIC" and "Article XIIID"), which contain a number of provisions affecting the ability of local agencies, including school districts, to levy and collect both existing and future taxes, assessments, fees and charges.

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

The District does not impose any taxes, assessments, or property-related fees or charges which are subject to the provisions of Proposition 218. It does, however, receive a portion of the basic one percent *ad valorem* property tax levied and collected by the County pursuant to Article XIIIA 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.

Proposition 26

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

Propositions 98 and 111

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

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

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

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

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

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

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

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

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

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

Proposition 39

On November 7, 2000, California voters approved an amendment (commonly known as Proposition 39) to the California Constitution. This amendment (1) allows school facilities bond measures to be approved by 55% (rather than two-thirds) of the voters in local elections and permits property taxes to exceed the current 1% limit in order to repay the bonds and (2) changes existing statutory law regarding charter school facilities. As adopted, the constitutional amendments may be changed only with another Statewide vote of the people. The statutory provisions could be changed by a majority vote of both houses of the Legislature and approval by the Governor, but only to further the purposes of the proposition. The local school jurisdictions affected by this proposition are K-12 school districts, including the District, community college districts, and county offices of education. As noted above, the California Constitution previously limited property taxes to 1 percent of the value of property, and property taxes could only exceed this limit to pay for (1) any local government debts approved by the voters prior to July 1, 1978 or (2) bonds to buy or improve real property that receive two-thirds voter approval after July 1, 1978.

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

Proposition 30

On November 6, 2012, voters of the State approved the Temporary Taxes to Fund Education, Guaranteed Local Public Safety Funding, Initiative Constitutional Amendment (also known as "Proposition 30"), which temporarily increases the State Sales and Use Tax and personal income tax rates on higher incomes. Proposition 30 temporarily imposes an additional tax on all retailers, at the rate of 0.25% of gross receipts from the sale of all tangible personal property sold in the State from January 1, 2013 to December 31, 2016. Proposition 30 also imposes an additional excise tax on the storage, use, or other consumption in the State of tangible personal property purchased from a retailer on and after January 1, 2013 and before January 1, 2017, for storage, use, or other consumption in the State. This excise tax will be levied at a rate of 0.25% of the sales price of the property so purchased. For personal income taxes imposed beginning in the taxable year commencing January 1, 2012 and ending December 31, 2018, Proposition 30 increases the marginal personal income tax rate by: (i) 1% for taxable income over $250,000 but less than $300,000 for single filers (over $340,000 but less than $408,000 for joint filers), (ii) 2% for taxable income over $300,000 but less than $500,000 for single filers (over $408,000 but less than $680,000 for joint filers), and (iii) 3% for taxable income over $500,000 for single filers (over $680,000 for joint filers).

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

Jarvis v. Connell

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

Proposition 1A and Proposition 22

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

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

Proposition 2

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

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

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

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

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

Future Initiatives

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

State Budget

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

2014-15 Budget. On June 20, 2014, the Governor signed into law the State budget for fiscal year 2014-15 (the "2014-15 Budget"). The following information is drawn from the State Department of Finance's summary of the 2014-15 Budget and the LAO report entitled "The 2014-15 Budget: California Spending Plan," and certain other sources relating to Proposition 2.

The 2014-15 Budget is based on revenue projections previously included in the Governor's May revision to the proposed budget for fiscal year 2014-15. For fiscal year 2013-14, the 2014-15 Budget projects total State general fund revenues of $102.2 billion, and total State general fund expenditures of $100.7 billion. The 2014-15 Budget projects that the State will end the 2013-14 fiscal year with a $2.9 billion general fund surplus. For fiscal year 2014-15, the 2014-15 Budget projects total State general fund revenues of $109.5 billion and total State general fund expenditures of $108 billion, leaving the State with a projected general fund surplus for fiscal year 2014-15 of approximately $2.1 billion. This projected reserve is a combination of $449 million in the State's general fund traditional reserve, and an authorized deposit of $1.6 billion into the Budget Stabilization Account (the "BSA") established by the California Balanced Budget Act of 2004 (also known as Proposition 58).

As part of implementing certain provisions of the 2014-15 Budget, a legislatively-referred constitutional amendment (Proposition 2) was placed on the ballot, and ultimately approved by the voters at the November 4, 2014 statewide election. Among other things, Proposition 2 will create a reserve account that is expected to smooth spikes in education funding. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein.

As a result of changes in State general fund revenues, local property tax collections and changes in student attendance, the 2014-15 Budget includes revised estimates to the minimum funding guarantees for fiscal years 2012-13 and 2013-14. The 2012-13 minimum guarantee is revised upward to $57.8 billion, an increase of $1.3 billion over the estimate included in the 2013-14 State budget. For fiscal year 2013-14, the 2014-15 Budget revises the minimum guarantee at $58.3 billion, approximately $3 billion higher than that included in the 2013-14 State budget.

The 2014-15 Budget sets the Proposition 98 minimum funding guarantee for fiscal year 2014-15 at $60.9 billion, including $44.5 billion of support from the State general fund. This represents an increase of $2.6 billion over the estimates included in the Governor's May revision. The 2014-15 Budget also authorizes certain payments to reduce the State's outstanding maintenance factor, including $5.2 billion allocable to fiscal year 2012-13 and $2.6 billion allocable to fiscal year 2014-15. The State is expected to end fiscal year 2014-15 with an outstanding maintenance factor of approximately $4 billion.

Significant features of the 2014-15 Budget related to the funding of K-12 education include the following:

- *State Pensions* – The 2014-15 Budget includes a plan to reduce the $74.4 billion unfunded STRS liability in approximately 30 years by increasing contribution rates among the State, K-14 school districts, and participating employees. For fiscal year 2014-15, these increases are expected to result in $276 million of additional contributions from all three entities. The plan also provides the STRS Board (as defined herein) with limited authority to (i) increase State and K-14 school district contributions based on changing conditions, and (ii) reduce K-14 school district contributions if they are no longer necessary. For additional information, see "BELMONT-REDWOOD SHORES SCHOOL DISTRICT – District Retirement Systems" herein.

- *Local Control Funding Formula* – An increase of $4.7 billion in Proposition 98 funding to continue the transition to the LCFF. This includes a 0.85% COLA to prior-year Base Grants, and results in per-pupil funding that is 12% higher than the prior-year. This increase is projected to close the remaining funding implementation gap between prior year funding levels and the LCFF target levels by approximately 29%. As a result, the adjusted 2014-15 Base Grants are as follows: (i) $7,011 for grades K-3, (ii) $7,116 for grades 4-6, (iii) $7,328 for grades 7-8, and (iv) $8,491 for grades 9-12. The LAO estimates that the 2014-15 funding levels are approximately 80% of the full implementation cost. The 2014-15 Budget also provides $26 million towards implementing the LCFF for county offices of education, sufficient to fully fund their LCFF funding target in fiscal year 2014-15. See also "– State Funding of Education – Local Control Funding Formula" herein.

- *School Reserves* – Senate Bill 858 (Stats. 2014, Chapter 32) ("SB 858"), trailer legislation to the 2014-15 Budget, creates new disclosure requirements effective beginning fiscal year 2015-16 for school districts that have general fund reserves in excess of the State minimum. Existing minimum reserve levels vary between one to five percent of general fund expenditures, depending on the size of the district, and generally require higher reserves for smaller school districts. SB 858 would require school districts to identify amounts in excess of their required reserves and explain the need for higher levels. This information must be disclosed at a public meeting and in each budget submitted to a county office of education. The LAO indicates that available data shows that virtually all school districts maintain excess reserves. As a result of the passage of Proposition 2 (discussed above), certain additional provisions of SB 858 have gone into effect that will cap school district reserve levels. Reserves will be capped in any fiscal year following a State deposit into the PSSSA created by Proposition 2. See also "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein. Caps for most school districts will range between three to ten percent of annual general fund expenditures. SB 858 permits a county office of education to grant an exemption from the reserve cap for up to two years if a school district demonstrates that it would face extraordinary fiscal circumstances justifying a higher reserve.

- *Categorical Programs* – The 2014-15 Budget provides $33 million to fund a 0.85% COLA for select K-12 categorical programs, including foster youth services, American Indian American Indian Childhood Education, special education and child nutrition.

- *K-12 Deferrals* – The 2014-15 Budget provides $5.2 billion to reduce outstanding apportionment deferrals, including $4.7 billion for school districts. Under the budget plan, $992 million in deferrals, including $897 million for school districts, are expected to remain outstanding at the end of fiscal year 2014-15. The 2014-15 Budget also provides for a trigger mechanism whereby potentially all outstanding deferrals would be repaid if the Proposition 98 minimum guarantee increases as a result of additional funding sources. Effectively, the 2014-15 Budget earmarks the first $992 million of additional State spending allocable to fiscal years 2013-14 and 2014-15 to the pay down of deferrals.

- *Student Assessments* – The 2014-15 Budget provides $54 million to continue the implementation of new student assessments.
- *Independent Study* – The 2014-15 Budget streamlines the existing independent study program, reducing administrative burdens and freeing up time for teachers to spend on student instruction and support, while making it easier for schools to offer and expand instructional opportunities available to students through non-classroom based instruction.
- *K-12 Mandates* – The 2014-15 Budget provides $400 million, including $287 million of Proposition 98 funding and $113 million from unspent prior-year funds, to reduce a backlog of unpaid reimbursement claims to school districts for the cost of State-mandated programs. Funds will be distributed to school districts on a per-student basis. The 2014-15 Budget also adds six new K-12 reimbursable mandates to the existing block grant program. The 2014-15 Budget does not increase funding for the block grant program as the added costs are expected to be minimal.
- *Proposition 39* – Passed by voters in November 2012, Proposition 39 increases State corporate tax revenues and requires a five-year period, starting in fiscal year 2013-14, that a portion of these additional revenues be used to improve energy efficiency and expand the use of alternative energy in public buildings. The 2014-15 Budget provides $279 million of Proposition 98 funding for qualifying school district energy programs and $28 million for a revolving loan program for K-14 school districts.
- *Quality Education Investment Act* – The 2014-15 Budget authorizes a final payment of $410 million to retire the State's obligation under the Quality Education Investment Act (Stats. 2006, Chapter 751) ("QEIA"), which required the State to provide additional annual school district and community college district funding payments. Of this amount, $316 million is for continued funding of the QEIA program (including $268 million for school districts) and $94 million is to pay down a separate State obligation related to school facility repairs.
- *Emergency Repair Program* – $189 million of funding towards the Emergency Repair Program ("ERP"), which was created in 2004 to fund critical repair projects at certain low-performing schools. Funds will be allocated to school districts that have unfunded claims for emergency repairs from the most recent ERP award cycle, which occurred in 2008.
- *School Infrastructure* – The 2014-15 Budget shifts existing bonding authority under the Career Technical Education ($4.1 million) and High Performance Initiative ($32.9 million) school facility programs to the New Construction and Modernization facility programs. Bonding authority will be split equally between new construction and modernization.
- *K-12 High- Speed Internet Access* – An increase of $27 million in one-time Proposition 98 funding for the K-12 High Speed Network to provide technical assistance and grants to K-12 local educational agencies required to successfully implement Common Core. These funds will be targeted to those K-12 local educational agencies most in need of help with securing internet connectivity and infrastructure required to implement the new computer adaptive tests under Common Core.
- *Career Technical Education Pathways Program* – An increase of $250 million in one-time Proposition 98 funding to support competitive grants for participating K-12 local educational agencies. The Career Pathways Trust Program provides grant awards to improve career technical programs and linkages between employers, schools, and community colleges.

For additional information regarding the State's 2014-15 Budget, see the State Department of Finance website at www.dof.ca.gov and the LAO's website at www.lao.ca.gov. However, the information presented on such websites is not incorporated herein by reference.

Governor's Proposed 2015-16 Budget. On January 9, 2015, the Governor released his proposed State budget for fiscal year 2015-16 (the "Proposed Budget"). The following information is taken from the LAO's overview of the Proposed Budget, dated January 13, 2015.

The Proposed Budget assumes, for fiscal year 2014-15, total general fund revenues and transfers of $108 billion and authorizes total expenditures of $111.7 billion. The State is projected to end the 2014-15 fiscal year with a general fund surplus of $2.1 billion, composed of a balance of $452 million in the State's traditional budget reserve and balance of $1.6 billion in the BSA. For fiscal year 2015-16, the Proposed Budget assumes total general fund revenues of $113.4 billion and authorizes expenditures of $113.3 billion. The State is projected to end the 2015-16 fiscal year with a $3.4 billion general fund surplus, composed of a $534 million balance in the budget reserve and $2.8 billion in the BSA. The balance in the BSA includes a $1.2 billion deposit mandated by the provisions of Proposition 2. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 2" herein. This $1.2 billion deposit to the BSA reflects half of the total Annual BSA Transfer required by Proposition 2, and the Proposed Budget allocates the other $1.2 billion towards paying down special fund loans and certain Proposition 98 "settle up" obligations created by previous budgetary legislation that understated the minimum funding guarantee. Under the Proposed Budget, outstanding Proposition 98 settle up obligations at the end of fiscal year 2015-16 total $1.3 billion. The Proposed Budget provides no deposit into the PSSSA, and the Governor does not project that such a deposit will need to be made at any point during the current budgetary forecast period (running through fiscal year 2018-19).

As a result of projected increases to State general fund revenues, as well as certain revisions to student attendance, the Proposed Budget includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The 2013-14 minimum funding guarantee is revised upward to $58.7 billion, an increase of $371 million from the estimate included in the 2014-15 Budget. For fiscal year 2014-15, the minimum funding guarantee is revised at $63.2 billion, approximately $2.3 billion higher than that included in the 2014-15 Budget.

For fiscal year 2015-16, the Proposed Budget sets the minimum funding guarantee at $65.7 billion, including $47 billion from the State general fund, and reflects an increase of $2.6 billion (or 4%) from the revised level for fiscal year 2014-15. Despite the increase in the minimum guarantee, the State general fund share is only $371 million. A projected growth in available local property tax collections accounts for the balance, and results primarily from the Governor's assumption that the "triple flip" legislation, which diverts local property tax revenues from school districts and community colleges to local governments, will sunset. For purposes of Proposition 98, fiscal year 2015-16 is a "Test 2" year, and changes in the minimum guarantee are driven primarily by an increase in per-capita personal income. Under the Proposed Budget, total per-student Proposition 98 funding increases to $9,571, an increase of $640 (or 7.2%) from the prior year.

Significant features of the Proposed Budget with respect to K-12 education include the following:

- *Maintenance Factor* – The Proposed Budget authorizes a maintenance factor payment of $725 million owed to school districts and community college districts, leaving an outstanding maintenance factor of $1.9 billion.
- *Local Control Funding Formula* – An additional $4 billion to school districts and charter schools to continue the implementation of the LCFF, reflecting a year-to-year increase of 9%.

This amount is estimated to close approximately 32% of the remaining funding gap between fiscal year 2014-15 funding levels and the LCFF target rates. Under the Proposed Budget, the LAO estimates that the LCFF target rates will be approximately 85% funded. The Proposed Budget also provides $109,000 of Proposition 98 funds to support a cost of living adjustment for county offices of education at their target LCFF funding levels.

- *Apportionment Deferrals* –$897 million to eliminate all outstanding K-12 apportionment deferrals.
- *Categorical Programs* – An increase of $71 million to support a 1.58% COLA for selected categorical programs outside of the LCFF.
- *Adult Education* – $500 million in ongoing funding for adult education. This proposal would build on prior budgetary legislation which mandated the establishment of regional adult education consortia composed of school districts, community college districts and certain other stakeholders to for delivery of adult education services. Under the Governor's proposal, the ongoing funding would support programs in elementary and secondary basic skills, citizenship and English as a second language for immigrants, educational programs for disabled adults, short-term career technical education (CTE) and apprenticeship programs. For fiscal year 2015-16 only, these funds would replace, on a dollar-for-dollar basis, LCFF funds currently allocated to school district-run adult education programs in these five areas.
- *Career Technical Education* – $250 million in funding in each of the next three fiscal years to fund a competitive grant initiative the supports K-12 CTE programs that lead to industry-recognized credentials or postsecondary training. Participating school districts, county offices of education and charter schools would be required to match grant contributions dollar-for-dollar, collect accountability data and commit to providing ongoing support to CTE programs after the expiration of grant funding. Applicants would also be expected to partner with local postsecondary institutions, labor organizations and businesses in applying for the grant funds. The Proposed Budget also includes $48 million to extend the Career Technical Education Pathways Grant Program, created as part of the 2013-14 State budgetary legislation. The primary purpose of the program is to improve linkages between CTE programs and schools and community colleges, as well as between K-14 education and local businesses. The California Department of Education and the California Community Colleges Chancellor's Office jointly administer the program and allocate funding through an interagency agreement.
- *Technology Infrastructure* – $100 million in one-time funding to support additional broadband infrastructure improvement grants, and builds on prior funding provided in the 2014-15 Budget for such grants.
- *Emergency Repair Program* – $273 million in one-time funding for the State ERP. See also "—2014-15 Budget" herein. This additional payment is expected to fully retire the State's ERP obligation.
- *Education Mandates* –$1.1 billion to reduce a backlog of unpaid reimbursement claims to school districts for the cost of State-mandated programs. Funds will be distributed to school districts on a per-student basis.

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

May Revision. On May 14, 2015, the Governor released his May revision (the "May Revision") to the Proposed Budget. The following information is drawn from the Department of Finance's summary of Proposed Budget.

The May Revision continues to project the expansion of the State and national economies, as well as an overall increase of $6.7 billion to State general fund revenues attributable primarily to higher capital gains tax collections. The May Revision allocates only a small portion of these additional revenues to new spending areas, and instead allocates the bulk towards education funding, an additional deposit to the BSA of $633 million, and additional payments towards outstanding State special fund loans.

After accounting for transfers to the BSA, the May Revision projects year-end general fund revenues for fiscal year 2014-15 to be $111.3 billion, approximately $3.3 billion higher than projected in the Proposed Budget. State general fund expenditures are also expected to increase by approximately $2.8 billion, for a year-end total of $114.5 billion. The May Revision projects that the State will end fiscal year 2014-15 with a $3 billion surplus, composed of a $1.4 billion balance in the general fund reserve and a $1.6 billion balance in the BSA. For fiscal year 2015-16, the May Revision projects State general fund revenues of $115 billion, approximately $1.7 billion higher than previously projected. The May Revision would authorize State general fund expenditures of $115.3 billion, an increase of $2 billion from that in the Proposed Budget. The State is projected to end fiscal year 2015-16 with a $4.6 billion general fund surplus, composed of a $1.1 billion balance in the general fund reserve and $3.5 billion in the BSA.

The May Revision includes revised estimates of the minimum funding guarantees for fiscal years 2013-14 and 2014-15. The fiscal year 2013-14 minimum funding guarantee is set at $58.9 billion, an increase of $241 million above the revised level included the Proposed Budget. The fiscal year 2014-15 minimum funding guarantee is set at $66.3 billion, an increase of $3.1 billion from the revised level included in the Proposed Budget.

For fiscal year 2015-16, the May Revision revises the Proposition 98 minimum funding guarantee at $68.4 billion, an increase of approximately $2.7 billion from the level included in the Proposed Budget. Significant adjustments made to education funding in the May Revision include the following:

- *LCFF* – An additional $2.1 billion in funding above that provided in the Proposed Budget to continue implementation of the LCFF, for a total of $6.1 billion. The May Revision estimates that this would close approximately 53% of the remaining funding gap.

- *Career Technical Education* – An additional $150 million in fiscal year 2015-16 for the competitive grant initiative the supports K-12 CTE programs that lead to industry-recognized credentials or postsecondary training. The May Revision also provides additional funding of $50 million for this initiative in fiscal year 2016-17, and reduces the amount provided in the Proposed Budget for fiscal year 2017-18 by a like amount.

- *Quality Education Investment Act* – An increase of $4.6 million in one-time Proposition 98 funding to provide half of the final apportionment of QEIA funding for selected school districts in fiscal year 2015-16 that do not qualify for concentration grant funding under the LCFF. The funding is intended to ease the transition for those districts with concentrations of EL/LI students that will no longer receive funds under the QEIA.

- *Local Property Tax Adjustments* – Total Proposition 98 funding levels for school districts, special education local plan areas and county offices of education in fiscal years 2014-15 and 2015-16 would reflect reductions to State support equal to \$123.3 million and \$224 million, respectively, reflecting higher offsetting property tax collections.

- *Proposition 39* – A decrease in the amount of funds available under Proposition 39 to K-12 school districts by \$6.7 million, reflecting reduced State corporate tax revenue estimates.
- *Categorical Programs* – A reduction of \$18.4 million in Proposition 98 funding for selected categorical programs, based on updated ADA growth estimates. The May Revision also decreases Proposition 98 funding by \$22.1 million for selected categorical programs, to reflect a change in the COLA for such programs from 1.58% (as provided in the Proposed Budget) to 1.02%.
- *K-12 Education Mandates* – An increase of \$1.2 million in Proposition 98 funding to reflect greater school district participation in the education mandates block grant program.
- *Special Education* – The May Revision proposes \$60.1 million of Proposition 98 funding (composed of \$50.1 million of ongoing funding and \$10 million of one-time funds) to implement selected programmatic changes in special education services. The changes are intended to implement recommendations issued by a State taskforce formed in 2013, as well as to make targeted investments designed to improve the delivery of services for disabled students.

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

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

DISTRICT FINANCIAL INFORMATION

The information in this section concerning the operations of the District and the District's finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the General Fund of the District. The Bonds are payable solely from the revenues generated by ad valorem *property taxes required to be levied by the County in an amount sufficient for the payment thereof. See "THE BONDS – Security and Sources of Payment."*

State Funding of Education

School district revenues consist primarily of guaranteed State moneys, local property taxes and funds received from the State in the form of categorical aid under ongoing programs of local assistance. All State aid is subject to the appropriation of funds in the State's annual budget. While the District is currently a "basic aid" school district, State appropriations are less significant in determining the

District's primary funding sources. However, the District expects to receive State funding based upon ADA beginning in fiscal year 2015-16, at which time State appropriations will become more significant for the District. See "– Basic Aid" herein.

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

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

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

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

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

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

The following table shows a breakdown of the District's ADA by grade span, total enrollment, and the percentage of EL/LI student enrollment, for fiscal years 2013-14 and 2014-15.

ADA, ENROLLMENT AND EL/LI ENROLLMENT PERCENTAGE
Fiscal Years 2013-14 through 2014-15
Belmont-Redwood Shores School District

	Average Daily Attendance[(1)]				Enrollment	
Fiscal Year	K-3	4-6	7-8	Total ADA	Total Enrollment[(2)]	% of EL/LI Enrollment[(2)]
2013-14	1,680	1,175	696	3,551	3,726	14.0%
2014-15	1,814	1,237	692	3,742	3,934	14.4

[(1)] Reflects P-2 ADA. Figures for fiscal year 2014-15 are projections.
[(2)] Reflects enrollment as of the fall census day (the first Wednesday in October), which is reported to the California Longitudinal Pupil Achievement Data System ("CALPADS") in each school year and used to calculate each school district's unduplicated EL/LI student enrollment. Adjustments may be made to the certified EL/LI counts by the California Department of Education. For purposes of calculating Supplemental and Concentration Grants, a school district's fiscal year 2013-14 percentage of unduplicated EL/LI students is expressed solely as a percentage of its total fiscal year 2013-14 total enrollment. For fiscal year 2014-15, the percentage of unduplicated EL/LI enrollment is based on the two-year average of EL/LI enrollment in fiscal years 2013-14 and 2014-15. Beginning in fiscal year 2015-16, a school district's percentage of unduplicated EL/LI students will be based on a rolling average of such district's EL/LI enrollment for the then-current fiscal year and the two immediately preceding fiscal years.
Source: Belmont-Redwood Shores School District.

For certain school districts that would have received greater funding levels under the prior revenue limit system, the LCFF provides for a permanent economic recovery target ("ERT") add-on, equal to the difference between the revenue limit allocations such districts would have received under the prior system in fiscal year 2020-21, and the target LCFF allocations owed to such districts in the same year. To derive the projected funding levels, the LCFF assumes the discontinuation of deficit revenue limit funding, implementation of a 1.94% COLA in fiscal years 2014-15 through 2020-21, and restoration of categorical funding to pre-recession levels. The ERT add-on will be paid incrementally over the eight-year implementing period of the LCFF. The District currently qualifies for the ERT add-on, but is expected to lose the add-on beginning in fiscal year 2015-16, when the District is also projecting to lose basic aid status.

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

Basic Aid. Certain schools districts, known as "basic aid" districts and including the District, have allocable local property tax collections that equal or exceed such districts' total LCFF allocation, and result in the receipt of no State apportionment aid. Basic aid school districts receive only special categorical funding, which is deemed to satisfy the "basic aid" requirement of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. The implication for basic aid districts is that the legislatively determined allocations to school districts, and other politically determined factors, are less significant in determining their primary funding sources. Rather, property tax growth and the local economy are the primary determinants. While the District is currently a basic aid district, it is expected to receive State funding based on ADA beginning in fiscal year 2015-16 when it is projected that the LCFF allocation will exceed District property taxes by approximately $2,687,157.

Accountability. The State Board of Education has promulgated regulations regarding the expenditure of supplemental and concentration funding, including a requirement that school districts increase or improve services for EL/LI students in proportion to the increase in funds apportioned to such districts on the basis of the number and concentration of such EL/LI students, as well as the conditions under which school districts can use supplemental or concentration funding on a school-wide or district-wide basis.

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

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

A school district is required to receive additional support if its respective LCAP or annual update thereto is not approved, if the district requests technical assistance from its respective county superintendent, or if the district does not improve student achievement across more than one State priority for one or more student subgroups. Such support can include a review of a district's strengths and weaknesses in the eight State priority areas, or the assignment of an academic expert to assist the district to identify and implement programs designed to improve outcomes. Assistance may be provided by the California Collaborative for Educational Excellence, a state agency created by the LCFF and charged with assisting school districts to achieve the goals set forth in their LCAPs. On or before October 1, 2015, the State Board of Education is required to develop rubrics to assess school district performance and the need for support and intervention.

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

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

Federal and Local Sources. The federal government provides funding for several school district programs, including specialized programs such as No Child Left Behind, special education programs, and programs under the Educational Consolidation and Improvement Act. In addition, a small part of a school district's budget is from local sources other than property taxes, including but not limited to interest income, leases and rentals, educational foundations, donations and sales of property.

Other Local Revenues. In addition to property taxes, the District receives additional local revenues from items such as leases and rentals, interest earnings, interagency services, and other local sources, including parcel taxes (see below).

Parcel Taxes. Parcel taxes are "special taxes" for purposes of the State Constitution, and as such must be approved by at least two-thirds of the voters voting on the relevant proposition. The District currently has parcel taxes approved in 2004 and 2008 that collectively impose a tax of $174 per parcel per year. The 2004 parcel tax of $96 per parcel per year and was set to expire on June 30, 2015. The 2008 parcel tax of $78 per parcel per year was set to expire June 30, 2016. Measure R, passed by District voters in November 2013, created a replacement parcel tax of $174 per parcel per year for ten years, beginning July 1, 2015. The current parcel taxes and Measure R provide an exemption for property owners who are 65 years or older. The District currently expects to collect $2,095,656 in parcel taxes for fiscal year 2014-15.

Redevelopment Revenue. The District receives pass-through tax increment revenue ("Redevelopment Revenue") from the Belmont Redevelopment Agency. The following table summarizes the Redevelopment Revenues received by the District since 2005-06.

REDEVELOPMENT REVENUES
Fiscal Years 2005-06 through 2014-15
Belmont-Redwood Shores School District

Fiscal Year	Redevelopment Revenues
2005-06	$872,925.00
2006-07	875,409.00
2007-08	772,014.00
2008-09	1,018,163.99
2009-10	350,579.00
2010-11	1,540,777.00(1)
2011-12	1,051,000.00
2012-13	1,026,317.00
2013-14	1,021,330.00
2014-15(2)	1,026,315.00

(1) Includes $640,777 allocable to fiscal year 2009-10, as well as a $900,000 allocable to fiscal year 2010-11.
(2) Budgeted.
Source: Belmont-Redwood Shores School District.

The District, however, can make no representations that Redevelopment Revenues will continue to be received by the District in amounts currently projected, particularly in light of the recently enacted legislation eliminating redevelopment agencies. See "– State Dissolution of Redevelopment Agencies" herein.

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Foundation. The School-Force Foundation (the "Foundation") is an independent 501(c)(3) nonprofit corporation, which has supported the District since 2001. Under Governmental Accounting Standards Board ("GASB") rules, the Foundation is not a component unit of the District for financial reporting purposes. The following table shows a five-year history of regular contributions made by the Foundation to the District, and a projection for fiscal year 2014-15:

FOUNDATION CONTRIBUTIONS
Fiscal Years 2009-10 through 2014-15
Belmont-Redwood Shores School District

Fiscal Year	Contribution
2009-10	$725,000
2010-11	1,600,000
2011-12	1,444,000
2012-13	1,456,019
2013-14	1,846,000
2014-15[1]	1,600,000

[1] Projected.
Source: Belmont-Redwood Shores School District.

State Dissolution of Redevelopment Agencies

On December 30, 2011, the California Supreme Court issued its decision in the case of *California Redevelopment Association v. Matosantos* ("*Matosantos*"), finding ABx1 26, a trailer bill to the 2011-12 State budget, to be constitutional. As a result, all Redevelopment Agencies in California ceased to exist as a matter of law on February 1, 2012. The Court in *Matosantos* also found that ABx1 27, a companion bill to ABx1 26, violated the California Constitution, as amended by Proposition 22. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS – Proposition 1A and Proposition 22" herein. ABx1 27 would have permitted redevelopment agencies to continue operations provided their establishing cities or counties agreed to make specified payments to school districts and county offices of education, totaling $1.7 billion statewide.

ABx1 26 was modified by Assembly Bill No. 1484 (Chapter 26, Statutes of 2011-12) ("AB 1484"), which, together with ABx1 26, is referred to herein as the "Dissolution Act." The Dissolution Act provides that all rights, powers, duties and obligations of a redevelopment agency under the California Community Redevelopment Law that have not been repealed, restricted or revised pursuant to ABx1 26 will be vested in a successor agency, generally the county or city that authorized the creation of the redevelopment agency (each, a "Successor Agency"). All property tax revenues that would have been allocated to a redevelopment agency, less the corresponding county auditor-controller's cost to administer the allocation of property tax revenues, are now allocated to a corresponding Redevelopment Property Tax Trust Fund ("Trust Fund"), to be used for the payment of pass-through payments to local taxing entities, and thereafter to bonds of the former redevelopment agency and any "enforceable obligations" of the Successor Agency, as well as to pay certain administrative costs. The Dissolution Act defines "enforceable obligations" to include bonds, loans, legally required payments, judgments or settlements, legally binding and enforceable obligations, and certain other obligations.

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

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

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

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

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

Accounting Practices

The accounting practices of the District conform to generally accepted accounting principles in accordance with policies and procedures of the California School Accounting Manual. This manual, according to Section 41010 of the California Education Code, is to be followed by all California school districts. Revenues are recognized in the period in which they become both measurable and available to finance expenditures of the current fiscal period. Expenditures are recognized in the period in which the liability is incurred.

Comparative Financial Statements

The table on the following page reflects the District's general fund audited revenues, expenditures and changes in fund balances from fiscal year 2009-10 to fiscal year 2013-14.

AUDITED GENERAL FUND REVENUES, EXPENDITURES AND FUND BALANCES
Fiscal Years 2009-10 through 2013-14 [1]
Belmont-Redwood Shores School District

	Audited Actuals 2009-10	Audited Actuals 2010-11	Audited Actuals 2011-12	Audited Actuals 2012-13	Audited Actuals 2013-14
REVENUES					
Revenue Limit/LCFF Sources	$21,044,906	$20,858,811	$21,274,203	$22,799,170	$24,985,563
Federal Revenues	1,117,872	829,928	1,384,429	835,663	796,693
Other State Revenues	2,246,519	1,773,423	1,250,352	1,018,229	1,786,209
Other Local Revenues	3,757,521	5,216,558	4,927,888	5,243,503	5,558,054
Total Revenues	28,166,818	28,678,720	28,836,872	29,896,565	33,126,519
EXPENDITURES					
Instruction	18,347,960	17,839,264	19,488,171	19,924,371	21,560,825
Instruction-Related Services	2,817,168	3,014,960	3,149,398	3,412,484	3,634,926
Pupil Services	883,001	970,570	1,292,523	1,553,829	1,968,202
General Administration	2,057,828	1,987,965	2,375,372	2,414,945	2,634,710
Plant Services	1,950,052	2,182,812	2,196,694	2,162,311	2,413,566
Facility Acquisition and Construction	--	--	1,104	--	--
Ancillary Services	64,265	63,444	56,279	63,485	78,522
Other Outgo	1,079,867	866,050	693,095	678,213	636,800
Debt Service:					
Principal	63,470	40,143	5,648	12,031	12,879
Interest	5,024	914	854	1,950	1,102
Issuance costs and discounts	--	--	55,438	--	--
Total Expenditures	27,268,635	26,966,122	29,314,576	30,223,619	32,941,532
EXCESS/DEFICIENCY OVER/(UNDER) REVENUES UNDER EXPENDITURES	898,183	1,712,598	(477,704)	(327,054)	184,987
OTHER FINANCING SOURCES/(USES)					
Transfers In	1,056,419	--	17,970	1,865,338	589,837
Transfers Out	(457,545)	(145,000)	(100,000)	(807,102)	(642,720)
Other Sources	--	--	--	55,939	--
All Other Outgoing Uses	--	--	--	--	(126,918)
Total Financing Sources/(Uses)	598,874	(145,000)	(82,030)	1,114,175	(179,801)
Net Changes in Fund Balances	1,497,057	1,567,598	(559,734)	787,121	5,186
Fund Balance as of July 1[2]	1,853,539	4,719,083	6,286,681	5,726,947	6,514,068
Fund Balance as of June 30	$3,350,596	$6,286,681	$5,726,947	$6,514,068	$6,519,254

(1) For projected general fund revenues, expenditures and changes in fund balance for fiscal year 2014-15, see " – General Fund Budget" below.
(2) Beginning in fiscal year 2010-11, reflects adjustment for reclassification pursuant to GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions*, and includes the Special Reserve Fund for Other Than Capital Outlays Fund and Special Reserve Fund for Postemployment Benefits.
Source: Belmont-Redwood Shores School District.

Budget Process

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

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

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

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

Interim Financial Reporting. Under the provisions of AB 1200, each school district is required to file interim certifications with the county office of education as to its ability to meet its financial obligations for the remainder of the then-current fiscal year and, based on current forecasts, for the subsequent two fiscal years. The county office of education reviews the certification and issues either a positive, negative or qualified certification. A positive certification is assigned to any school district that will meet its financial obligations for the current fiscal year and subsequent two fiscal years. A negative certification is assigned to any school district that will be unable to meet its financial obligations for the remainder of the current fiscal year or 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 subsequent two fiscal years. The District has never had an adopted budget disapproved by the county superintendent of schools.

Budget Projections. The District currently projects that it will meet the minimum general fund reserve requirement in fiscal years 2014-15 and 2015-16, maintaining unrestricted general fund reserves of approximately 3% for each year. The District currently projects an unrestricted general fund operating deficit of $1,888,002 in fiscal year 2014-15, and an unrestricted general fund operating deficit of $787,864 in fiscal year 2015-16.

General Fund Budget

The following table summarizes the District's adopted general fund budgets for fiscal years 2012-13 through 2014-15, audited statements of revenues, expenditures and changes in fund balance for fiscal years 2012-13 and 2013-14, and projections for fiscal year 2014-15.

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COMPARISON OF GENERAL FUND BUDGETS AND ACTUAL RESULTS
Fiscal Years 2012-13 through 2014-15
Belmont-Redwood Shores School District

	Adopted Budget 2012-13	Audited Actuals 2012-13	Adopted Budget 2013-14	Audited Actuals 2013-14	Adopted Budget 2014-15	Projected Totals 2014-15(1)
REVENUES:						
Revenue limit sources						
State apportionment		$853,426		$1,130,359		
Local sources		21,945,744		23,855,204		
Total revenue limit	$21,105,180	22,799,170	$23,288,318	24,985,563	$25,799,225	$25,933,603
Federal sources	803,854	835,663	775,910	796,693	815,134	900,725
Other State sources	1,096,625	1,018,229	835,271	1,786,209	806,846	1,283,949
Other local sources	4,475,126	5,243,503	4,698,585	5,558,054	4,826,864	5,354722
Total revenues	27,480,785	29,896,565	29,598,084	33,126,519	32,248,069	33,472,999
EXPENDITURES:						
Certificated salaries	15,760,602	15,775,237	16,821,905	16,852,548	17,626,941	18,339,220
Classified salaries	3,893,870	4,186,335	4,580,437	4,550,646	4,670,014	5,070,762
Employee benefits	4,308,795	4,345,727	4,668,162	4,464,430	5,137,126	5,037,997
Books & supplies	759,204	1,030,275	632,504	1,351,682	1,183,394	1,708,040
Services & other operating expenditures	4,469,278	4,122,789	4,584,214	5,079,551	5,057,914	5,182,249
Capital outlay	--	71,062	--	118,812	345,000	434,629
Other outgo	811,504	692,194	621,291	523,863	628,169	519,348
Total Expenditures	30,003,253	30,223,619	31,908,513	32,941,532	34,648,558	36,292,245
Excess (Deficiency) Of Revenues Over Expenditures	(2,522,468)	(327,054)	(2,310,429)	184,987	(2,400,489)	(2,819,246)
Other Financing Sources (Uses):	--	55,939	--	(126,918)	--	--
Operating transfers in	1,058,236	1,865,338	1,182,110	589,837	677,763	1,296,201
Operating transfers out	--	(807,102)	(671,064)	(642,720)	(364,957)	(364,957)
Net Financing Sources (Uses)	1,058,236	1,114,175	511,046	(179,801)	312,806	931,244
NET CHANGE IN FUND BALANCE	(1,464,232)	787,121	(1,799,383)	5,186	(2,087,683)	(1,888,002)
Fund balance equity, July 1(2)	5,726,947	5,726,947	6,514,068	6,514,068	6,519,254	6,519,254
Fund balance equity, June 30	$4,262,715	$6,514,068	$4,714,685	$6,519,254	$4,431,571	$4,631,252

(1) Projected fiscal year 2014-15 totals from the District's Second Interim Financial Report for fiscal year 2014-15 approved by the Board on March 12, 2015.
(2) Reflects adjustment for reclassification pursuant to GASB Statement 54: *Fund Balance Reporting and Governmental Fund Type Definitions*, and includes the Special Reserve Fund for Other Than Capital Outlays Fund and Special Reserve Fund for Postemployment Benefits.
Source: Belmont-Redwood Shores School District.

School District Debt Structure

Short-Term Debt. On July 3, 2014, the District issued $5,475,000 in tax revenue anticipation notes (the "Notes"). The Notes mature on June 30, 2015 and bear interest at 2%.

Long-Term Debt. A schedule of changes in long-term debt for the fiscal year ended June 30, 2014 is shown below:

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
2005 General Obligation Bonds	$31,605,000	--	$765,000	$30,840,000
School District Bonds	24,839,348	--	180,000	24,659,348
Measure N Bonds	34,965,000	--	--	34,965,000
Capital Lease Obligations	21,968	--	12,879	9,089
Bond Premium	1,816,997	--	90,537	1,726,460
Total Long Term Debt Net of Premium and Refunding Charge	93,248,313	--	1,048,416	92,199,897
Early Retirement Incentives	174,240	--	71,587	102,653
Other Post-Employment Benefits	162,129	--	47,857	114,272
Compensated Absences	141,823	15,182	--	157,005
Totals	$93,726,505	$15,182	$1,167,860	$92,573,827

Capital Lease Obligations. In 2011, the District agreed to purchase a new copier under a capital lease agreement. The final debt service payment of this capital lease obligation for the copier is as follows:

Date	Principal	Interest	Total
June 30, 2015	$9,089	$234	$9,323

General Obligation Bonds. On June 3, 1997, the voters of the District authorized the issuance of not-to-exceed $12,000,000 of general obligation bonds of the District (the "1997 District Authorization"). On October 27, 1997, the District caused the issuance of the first and only series of bonds under the 1997 District Authorization in an aggregate principal amount of $12,000,000 (the "1997 District Bonds"). On March 1, 2005, the District issued its 2005 General Obligation Refunding Bonds in an aggregate principal amount of $11,720,000 (the "2005 Refunding Bonds"). Proceeds from the sale of the 2005 Refunding Bonds were used to advance refund all of the outstanding 1997 District Bonds.

On November 2, 2010, the voters of the District authorized the issuance of not-to-exceed $25,000,000 of general obligation bonds of the District (the "2010 District Authorization"). On August 30, 2011, the District caused the issuance of two series of bonds under the 2010 District Authorization in an aggregate principal amount of $24,999,348.00, consisting of $19,419,348.00 aggregate principal amount of tax-exempt bonds (the "2010 Series A Bonds") and $5,580,000.00 aggregate principal amount of federally taxable bonds (the "2010 Series B Bonds").

The following table summarizes the annual debt service requirements for the District's general obligation bonded debt (assuming no optional redemptions).

GENERAL OBLIGATION BONDED DEBT
Belmont-Redwood Shores School District

Year Ending August 1	2005 Refunding Bonds[1]	2010 Series A Bonds	2010 Series B Bonds	Series A Bonds	Series A Refunding Bonds	Total Debt Service
2015	$861,375	$730,750.00	$423,047.96	$244,605.21	$147,363.33	$2,407,141.50
2016	--	765,750.00	418,546.90	3,694,875.00	912,100.00	5,791,271.90
2017	--	795,750.00	423,490.86	2,826,875.00	942,900.00	4,989,015.86
2018	--	840,750.00	422,250.86	2,483,875.00	962,800.00	4,709,675.86
2019	--	885,750.00	420,350.86	2,567,475.00	984,100.00	4,857,675.86
2020	--	930,750.00	422,878.60	1,721,075.00	1,009,050.00	4,083,753.60
2021	--	985,750.00	419,504.36	1,778,875.00	1,037,500.00	4,221,629.36
2022	--	1,032,582.50	420,385.36	1,840,375.00	1,060,500.00	4,353,842.86
2023	--	1,087,582.50	419,701.86	1,880,625.00	--	3,387,909.36
2024	--	1,142,582.50	418,553.86	1,972,625.00	--	3,533,761.36
2025	--	1,197,582.50	421,941.36	2,043,625.00	--	3,663,148.86
2026	--	1,257,582.50	419,632.10	2,114,375.00	--	3,791,589.60
2027	--	1,317,595.00	421,858.36	2,188,050.00	--	3,927,503.36
2028	--	1,382,595.00	420,986.66	2,265,450.00	--	4,069,031.66
2029	--	1,452,595.00	419,294.00	2,340,650.00	--	4,212,539.00
2030	--	1,517,595.00	421,780.40	2,426,050.00	--	4,365,425.40
2031	--	1,587,595.00	423,172.20	2,511,050.00	--	4,521,817.20
2032	--	1,662,595.00	423,469.40	2,595,450.00	--	4,681,514.40
2033	--	1,737,595.00	422,292.00	2,689,050.00	--	4,848,937.00
2034	--	2,237,595.00	--	2,783,050.00	--	5,020,645.00
2035	--	2,322,585.00	--	2,877,800.00	--	5,200,385.00
2036	--	2,407,180.00	--	2,982,800.00	--	5,389,980.00
2037	--	2,498,208.80	--	3,086,200.00	--	5,584,408.80
2038	--	2,589,935.00	--	3,191,600.00	--	5,781,535.00
2039	--	2,685,750.00	--	3,303,600.00	--	5,989,350.00
2040	--	2,785,966.70	--	3,421,600.00	--	6,207,566.70
2041	--	2,890,750.00	--	--	--	2,890,750.00
2042	--	2,995,750.00	--	--	--	2,995,750.00
2043	--	3,105,750.00	--	--	--	3,105,750.00
2044	--	3,219,500.00	--	--	--	3,219,500.00
2045	--	3,341,250.00	--	--	--	3,341,250.00
2046	--	3,465,000.00	--	--	--	3,465,000.00
TOTAL	$861,375	$58,856,548.00	$8,003,137.96	$63,831,680.21	$7,056,313.33	$138,609,054.50

[1] Excludes debt service on the 2005 Refunded Bonds to be refunded with proceeds from the Series A Refunding Bonds.

Improvement District Bonds. At an election held on November 8, 2005, the voters of the Improvement District approved the issuance of not-to-exceed $25,000,000 of general obligation bonds (the "2005 Improvement District Authorization"). On August 30, 2007, the District caused the issuance of the first and only series of bonds under the 2005 Improvement District Authorization in an aggregate principal amount of $25,000,000 (the "2005 Series A Bonds"). The following table summarizes the annual debt service requirements for the Improvement District general obligation bonds.

GENERAL OBLIGATION BONDED DEBT
Belmont-Redwood Shores School District
Redwood Shores School Facilities Improvement District

Year Ending August 1	2005 Series A Bonds[1]	Series B Refunding Bonds	Total Annual Debt Service
2015	$902,718.75	$548,955.42	$1,451,674.17
2016	406,900.00	964,450.00	1,371,350.00
2017	470,250.00	964,450.00	1,434,700.00
2018	--	1,504,450.00	1,504,450.00
2019	--	1,567,850.00	1,567,850.00
2020	--	1,637,850.00	1,637,850.00
2021	--	1,704,050.00	1,704,050.00
2022	--	1,781,450.00	1,781,450.00
2023	--	1,855,200.00	1,855,200.00
2024	--	1,932,950.00	1,932,950.00
2025	--	2,019,200.00	2,019,200.00
2026	--	2,108,200.00	2,108,200.00
2027	--	2,194,450.00	2,194,450.00
2028	--	2,287,700.00	2,287,700.00
2029	--	2,387,200.00	2,387,200.00
2030	--	2,482,200.00	2,482,200.00
2031	--	2,589,400.00	2,589,400.00
2032	--	2,698,800.00	2,698,800.00
Total	$1,779,868.75	$33,228,805.42	$35,008,674.17

(1) Excludes debt service on the 2005 Series A Refunded Bonds to be refunded with proceeds from the Series B Refunding Bonds.

Belmont Elementary Schools Facilities Improvement District Bonds. In addition to the Improvement District, the District has also formed the Belmont Elementary School Facilities Improvement District (the "Belmont Elementary Improvement District"). The Belmont Elementary Improvement District covers the areas of the District west of U.S. Highway 101, including portions of the incorporated cities of Belmont and San Carlos, as well as portions of the unincorporated territory of the County. At an election held on November 2, 2010, the voters of the Belmont Elementary School Improvement District approved the issuance of not-to-exceed $35,000,000 of general obligation bonds (the "2010 Belmont Elementary Improvement District Authorization"). On August 30, 2011, the District caused the issuance of the first series of bonds under the 2010 Belmont Elementary Improvement District Authorization in the aggregate principal amount of $30,996,420.65 (the "Belmont Elementary 2010 Series A Bonds"). On June 19, 2013, the District caused the issuance of the second series of bonds under the 2010 Belmont Elementary Improvement District Authorization in the aggregate principal amount of $4,003,579 (the "Belmont Elementary 2010 Series B Bonds"). The following table summarizes the annual debt service requirements for the Belmont Elementary Improvement District general obligation bonds.

GENERAL OBLIGATION BONDED DEBT
Belmont-Redwood Shores School District
Belmont Elementary Schools Facilities Improvement District

Year Ending August 1	Belmont Elementary 2010 Series A Bonds	Belmont Elementary 2010 Series B Bonds	Total
2015	$1,347,000.00	$192,187.50	$1,539,187.50
2016	1,387,000.00	201,587.50	1,588,587.50
2017	1,432,000.00	205,787.50	1,637,787.50
2018	1,482,000.00	209,437.50	1,691,437.50
2019	1,532,000.00	217,937.50	1,749,937.50
2020	1,592,000.00	226,137.50	1,818,137.50
2021	1,647,000.00	239,037.50	1,886,037.50
2022	1,711,235.00	246,487.50	1,957,722.50
2023	1,776,235.00	253,637.50	2,029,872.50
2024	1,841,235.00	264,437.50	2,105,672.50
2025	1,911,235.00	274,637.50	2,185,872.50
2026	1,984,885.00	279,237.50	2,264,122.50
2027	2,058,630.00	294,343.76	2,352,973.76
2028	2,133,630.00	303,775.00	2,437,405.00
2029	2,215,590.00	317,475.00	2,533,065.00
2030	2,295,765.00	330,475.00	2,626,240.00
2031	2,383,860.00	340,575.00	2,724,435.00
2032	2,473,990.00	354,775.00	2,828,765.00
2033	2,563,990.00	367,850.00	2,931,840.00
2034	2,663,990.00	379,800.00	3,043,790.00
2035	2,758,990.00	395,625.00	3,154,615.00
2036	2,865,990.00	410,100.00	3,276,090.00
2037	2,975,000.00	423,225.00	3,398,225.00
2038	3,083,000.00	--	3,083,000.00
2039	3,201,250.00	--	3,201,250.00
2040	3,318,750.00	--	3,318,750.00
2041	3,445,000.00	--	3,445,000.00
2042	3,574,000.00	--	3,574,000.00
2043	3,709,000.00	--	3,709,000.00
2044	3,848,250.00	--	3,848,250.00
2045	3,993,000.00	--	3,993,000.00
2046	4,142,250.00	--	4,142,250.00
TOTAL	$79,347,750.00	$6,728,568.76	$86,076,318.76

BELMONT-REDWOOD SHORES SCHOOL DISTRICT

The information in this section concerning the operations of the District and the District's finances are provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the principal of and interest on the Bonds is payable from the general fund of the District. The District-wide Bonds are payable only from the revenues generated by an ad valorem *property tax levied by the County on properties within the District for the payment thereof. The Series B Refunding Bonds are payable only from the revenues generated by an* ad valorem *property tax levied by the County on properties within the Improvement District for the payment thereof. See "THE BONDS – Security and Sources of Payment" herein.*

Introduction

The Belmont-Redwood Shores School District (the "District") is located in the northeastern portion of San Mateo County, California (the "County"). The District was formed as an elementary school district in 1861 and includes all of the city of Belmont and portions of the cities of San Mateo, Redwood City, Foster City and San Carlos, as well as adjacent unincorporated areas of the County. The District operates six elementary schools and one middle school. For fiscal year 2014-15, the District has projected an average daily attendance of 3,742 students. The District has a fiscal year 2014-15 assessed valuation of $11,456,060,650.

Administration

The governing board of the District (the "Board") consists of five elected members. Members are elected at-large to serve staggered four-year terms. Elections for positions to the Board are held every two years, alternating between two and three available positions. A president is elected by members of the Board each year. Current members of the Board, together with their offices and the dates their terms expire, are listed below:

Name	Office	Term Expires
Suvarna Bhopale	President	December 2017
Amy Koo	Vice President	December 2017
Robert Tashjian	Clerk	December 2015
Daniel Kaul	Member	December 2015
Charles Velschow	Member	December 2017

The management and policies of the District are administered by the Superintendent appointed by the Board, who is responsible for the day-to-day District operations, as well as the supervision of the District's other personnel. Dr. Michael Milliken currently serves as the District's Superintendent and Craig Goldman is the Interim Chief Business Official.

Brief biographies of the Superintendent and the Interim Chief Business Official follow:

Michael Milliken, Ph.D., Superintendent. Dr. Milliken was appointed as the District's Superintendent in 2013. Dr. Milliken previously served as the Director of Secondary Education in the Palo Alto Unified School District (PAUSD) for two years, as a middle school principal in PAUSD for three years, and an elementary principal in the Newark Unified School District in Newark, CA, for three years. He has ten years of experience in education administration, and he has taught at the elementary and secondary levels, and at a teacher training college abroad. Dr. Milliken holds three degrees from Stanford University: a doctorate in Education Administration and Policy Analysis, a Master's Degree in Education Administration, and a Bachelor's Degree in Political Science.

Craig Goldman, Interim Chief Business Official. Mr. Goldman was appointed as the District's Interim Chief Business Official in January 2015. Mr. Goldman previously served as the Superintendent of Mountain View Whisman School District for over four years and the Chief Financial Officer for three years. Prior to that, Mr. Goldman was a principal and a teacher and he has 25 years of experience in education. Mr. Goldman holds a Master's degree in Educational Administration from San Francisco State University, a Master of Education and a Juris Doctor degree from the University of California, Los Angeles, and a Bachelor of Arts Degree in Human Biology from Stanford University.

Recent Enrollment Trends

The following table shows a seven-year enrollment history for the District.

ANNUAL ENROLLMENT
Fiscal Years 2008-09 through 2014-15
Belmont-Redwood Shores School District

Year	Enrollment	Annual Change	Annual % Change
2008-09	2,749	--	--
2009-10	2,967	218	7.93%
2010-11	3,206	239	8.06
2011-12	3,380	174	5.43
2012-13	3,607	227	6.72
2013-14	3,726	119	3.30
2014-15	3,934	208	5.58

Note: Enrollment as reported to CALPADS as of the fall census day in each school year.
Source: Belmont-Redwood Shores School District.

Labor Relations

As of January 1, 2015, the District employed 232.17 full-time equivalent certificated and administrative employees, and 87.57 full-time equivalent classified employees. The District employees, except management, confidential and some part-time employees, are represented by the bargaining units noted in the following table.

LABOR BARGAINING UNITS
Belmont-Redwood Shores School District

Labor Organization	Number of Employees In Organization	Contract Expiration Date
Belmont-Redwood Shores Faculty Association	201.6731	June 30, 2015
California School Employees Association ("CSEA")	85.445	June 30, 2015

Source: Belmont-Redwood Shores School District.

District Retirement Systems

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

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

Prior to fiscal year 2014-15, and unlike typical defined benefit programs, neither the employee, employer or State contribution rate to the STRS Defined Benefit Program varied annually to make up funding shortfalls or assess credits for actuarial surpluses. In recent years, the combined employer, employee and State contributions to the STRS Defined Benefit Program have not been sufficient to pay actuarially required amounts. As a result, and due to significant investment losses, the unfunded actuarial liability of the STRS Defined Benefit Program has increased significantly in recent fiscal years. In September 2013, STRS projected that the STRS Defined Benefit Program would be depleted in 31 years assuming existing contribution rates continued, and other significant actuarial assumptions were realized. In an effort to reduce the unfunded actuarial liability of the STRS Defined Benefit Program, the State recently passed the legislation described below to increase contribution rates.

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

MEMBER CONTRIBUTION RATES
STRS (Defined Benefit Program)

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

Source: AB 1469.

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

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

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

Source: AB 1469.

Based upon the recommendation from its actuary, for fiscal year 2021-22 and each fiscal year thereafter the STRS Teachers' Retirement Board (the "STRS Board"), is required to increase or decrease the K-14 school districts' contribution rate to reflect the contribution required to eliminate the remaining 2014 Liability by June 30, 2046; provided that the rate cannot change in any fiscal year by more than 1%

of creditable compensation upon which members' contributions to the STRS Defined Benefit Program are based; and provided further that such contribution rate cannot exceed a maximum of 20.25%. In addition to the increased contribution rates discussed above, AB 1469 also requires the STRS Board to report to the State Legislature every five years (commencing with a report due on or before July 1, 2019) on the fiscal health of the STRS Defined Benefit Program and the unfunded actuarial obligation with respect to service credited to members of that program before July 1, 2014. The reports are also required to identify adjustments required in contribution rates for K-14 school districts and the State in order to eliminate the 2014 Liability.

The District's contributions to STRS for the fiscal years ending June 30, 2014, 2013, and 2012 were $1,315,348, $1,271,896, and $1,227,949, respectively. The District has budgeted $1,612,990 for fiscal year 2014-15.

The State also contributes to STRS, currently in an amount equal to 3.454% of teacher payroll for fiscal year 2014-15. The State's contribution reflects a base contribution rate of 2.017%, and a supplemental contribution rate that will vary from year to year based on statutory criteria. Pursuant to AB 1469, the State contribution rate will increase over the next three years to a total of 6.328% in fiscal year 2016-17. Based upon the recommendation from its actuary, for fiscal year 2017-18 and each fiscal year thereafter, the STRS Board is required, with certain limitations, to increase or decrease the State's contribution rates to reflect the contribution required to eliminate the unfunded actuarial accrued liability attributed to benefits in effect before July 1, 1990. In addition, the State is currently required to make an annual general fund contribution up to 2.5% of the fiscal year covered STRS member payroll to the Supplemental Benefit Protection Account (the "SBPA"), which was established by statute to provide supplemental payments to beneficiaries whose purchasing power has fallen below 85% of the purchasing power of their initial allowance.

PERS. Classified employees working four or more hours per day are members of PERS. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by the State statutes, as legislatively amended from time to time. PERS operates a number of retirement plans including the Public Employees Retirement Fund ("PERF"). PERF is a multiple-employer defined benefit retirement plan. In addition to the State, employer participants at June 30, 2013 included 1,580 public agencies and schools (representing more than 2,500 entities). PERS acts as the common investment and administrative agent for the member agencies. The State and K-14 school districts (for "classified employees," which generally consist of school employees other than teachers) are required by law to participate in PERF. Employees participating in PERF generally become fully vested in their retirement benefits earned to date after five years of credited service. One of the plans operated by PERS is for K-14 school districts throughout the State (the "Schools Pool").

Contributions by employers to the PERS Schools Pool are based upon an actuarial rate determined annually and contributions by plan members vary based upon their date of hire. The District is currently required to contribute to PERS at an actuarially determined rate, which is 11.847% of eligible salary expenditures for fiscal year 2015-16. Participants enrolled in PERS prior to January 1, 2013 contribute 7% of their respective salaries, while participants enrolled after January 1, 2013 contribute at an actuarially determined rate, which is 6% of their respective salaries for fiscal year 2014-15. See "—California Public Employees' Pension Reform Act of 2013" herein.

The District's contributions to PERS for the fiscal years ending June 30, 2014, 2013, and 2012 were $493,460, $459,840, and $410,866, respectively. The District has budgeted $603,082 for fiscal year 2014-15.

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

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

STRS (Defined Benefit Program) and PERS
(Dollar Amounts in Millions) [(1)]
Fiscal Years 2010-11 through 2013-14

STRS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)(3)]	Value of Trust Assets (AVA)[(4)]	Unfunded Liability (AVA)[(4)]
2010-11	$208,405	$147,140	$68,365	$143,930	$64,475
2011-12	215,189	143,118	80,354	144,232	70,957
2012-13	222,281	157,176	74,374	148,614	73,667
2013-14	231,213	179,749	61,807	158,495	72,718

PERS

Fiscal Year	Accrued Liability	Value of Trust Assets (MVA)[(2)]	Unfunded Liability (MVA)[(2)]	Value of Trust Assets (AVA)[(4)]	Unfunded Liability (AVA)[(4)]
2010-11	$58,358	$45,901	$12,457	$51,547	$6,811
2011-12	59,439	44,854	14,585	53,791	5,648
2012-13	61,487	49,482	12,005	56,250	5,237
2013-14[(5)]	65,600	56,838	8,761	--[(6)]	--[(6)]

(1) Amounts may not add due to rounding.
(2) Reflects market value of assets.
(3) Excludes assets allocated to the SBPA reserve.
(4) Reflects actuarial value of assets.
(5) On April 14, 2015, the PERS Finance & Administration Committee approved the K-14 school district contribution rate for fiscal year 2015-16 and released certain actuarial information to be incorporated into the June 30, 2014 actuarial valuation to be released in summer 2015.
(6) Figures not provided.
Source: PERS Schools Pool Actuarial Valuation; STRS Defined Benefit Program Actuarial Valuation.

According to the STRS Defined Benefit Program Actuarial Valuation, as of June 30, 2014, the future revenue from contributions and appropriations for the STRS Defined Benefit Program is projected to be sufficient to finance its obligations. This finding reflects the scheduled contribution increases specified in AB 1469 and is based on the valuation assumptions and the valuation policy adopted by the STRS Board.

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

On March 14, 2012, the PERS Board voted to lower the PERS' rate of expected price inflation and its investment rate of return (net of administrative expenses) (the "PERS Discount Rate") from 7.75% to 7.5%. As one consequence of such decrease, the annual contribution amounts paid by PERS member public agencies, including the District, have been increased by 1 to 2% for miscellaneous plans and by 2 to 3% for safety plans beginning in fiscal year 2013-14. On February 18, 2014, the PERS Board voted to keep the PERS Discount Rate unchanged at 7.5%.

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

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

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

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

Other Post Employment Benefits

Plan Description. The District administers a single-employer defined benefit (the "Plan") that provides post-retirement health benefits to employees who retire from the District on or after attaining the age of 55 with at least 20 years of service to the District. The number of years that the Plan provides such benefits varies by employee group. Classified employees receive three years, certificated employees receive three years, and confidential employees receive five years. Administrative employees, plus one dependent, receive a premium rate on healthcare services until age 65. On June 30, 2014, membership in the Plan consisted of 85 retirees receiving benefits, and 253 active plan members.

Funding Policy. Expenditures for the Plan are recognized on a pay-as-you-go basis to cover the cost of premiums for current retirees. The District contributed $103,552 to the Plan in fiscal year 2012-13 and $92,975 in fiscal year 2013-14, and has budgeted $65,229 for such expenditures in fiscal year 2014-15.

Actuarial Study. The District has implemented *Governmental Accounting Standards Board Statement #45, Accounting and Financial Reporting by Employers for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 45"), pursuant to which the District has commissioned and received an actuarial study of its liability with respect to the Other Post-Employment Benefits. The most recent of these studies was completed by Total Compensation Systems, Inc. on August 16, 2013 (the "Actuarial Study") with respect to its liability in connection with such Post-Employment Benefits. The Actuarial Study, dated as of September 1, 2013, determined that the actuarial accrued liability with respect to the District's Post-Employment Benefits is $1,282,449 and that the actuarial present value of total projected benefits is $212,973. The Actuarial Study also concluded that the annual required contribution ("ARC") for the year beginning July 1, 2014 is $277,763. The ARC is the annual amount that would be necessary to fund the OPEB in accordance with the Governmental Accounting Standards Board's Statements No. 43 and 45.

Net OPEB Obligation. As of June 30, 2014, the District recognized a long-term obligation (the "Net OPEB Obligation") of $114,272 with respect to its accrued liability for the Post-Employment Benefits. The Net OPEB Obligation is based on the District's contributions towards the ARC during fiscal year 2013-14, plus interest on the prior year's Net OPEB Obligation and minus any adjustments to reflect the amortization thereof. See "APPENDIX A – EXCERPTS FROM THE DISTRICT'S 2013-14 AUDITED FINANCIAL STATEMENTS – Note 11 "Post Employment Health Care plan and Other Post Employment Benefits (OPEB) Asset" herein.

Early Retirement Incentive

Early retirement incentive benefits are provided to employees who retired under the golden hand shake program of the District, pursuant to Education Code Section 22714 and 44929, whereby the service credit to eligible employees is increased by two years. Currently, the District has 24 employees who opted under the program. The approximate accumulated liability for the District at June 30, 2014 amounted to $102,683.

Joint Powers Agreements

The District is a member of the San Mateo County Schools Insurance Group ("SMCSIG") public entity risk pool. The District pays an annual premium to SMCSIG for its health, workers' compensation and property liability coverage. The relationship between the District and SMCSIG is such that it is not a component unit of the District for financial reporting purposes.

Based upon prior claims experience, yearly claims audits and other reviews of ongoing claims, the District believes it is adequately insured.

REDWOOD SHORES SCHOOL FACILITIES IMPROVEMENT DISTRICT

General Description

The Series B Refunding Bonds are being issued by the District on behalf of the Improvement District. The Improvement District was established pursuant to a resolution of the Board adopted on May 19, 2005.

The Series B Refunding Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of the Government Code of the State of California and other applicable law, and pursuant to a resolution adopted by the Board on April 2, 2015.

Location and Territory

The Improvement District encompasses the portion of the District in the Redwood Shores neighborhood east of the U.S. Highway 101. The Improvement District is located in San Mateo County, including portions of Redwood City, Belmont and San Carlos, and encompasses about 10 square miles (excluding water area), representing about 30% of the territory of the District. The Improvement District has a 2014-15 assessed valuation of $5,347,017,618. See "APPENDIX F – LOCATION MAP OF THE DISTRICT AND IMPROVEMENT DISTRICT."

TAX MATTERS

In the opinion of Bond Counsel, under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax. Bond Counsel notes that, with respect to corporations, interest on the Bonds may be included as an adjustment in the calculation of alternative minimum taxable income which may affect the alternative minimum tax liability of corporations.

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

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

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

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

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

INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

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

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

Copies of the proposed forms of opinions of Bond Counsel for each series of Bonds are attached hereto as APPENDIX B.

LEGAL MATTERS

Continuing Disclosure

In connection with the issuance of the Bonds, the District has covenanted for the benefit of bondholders (including Beneficial Owners of the Bonds) to provide certain financial information and operating data relating to the District (the "Annual Reports") by not later than 270 days following the end of the District's fiscal year (which currently ends June 30), commencing with the report for the 2014-15 fiscal year, and to provide notices of the occurrence of certain enumerated events. The Annual Reports and notices of listed events will be filed by the District in accordance with the requirements of the Rule. The specific nature of the information to be made available and to be contained in the notices of material events is described in the form of Continuing Disclosure Certificate attached hereto as APPENDIX C. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Within the past five years, the District failed to file the annual reports required by its existing continuing disclosure undertakings in a timely manner for fiscal year 2009-10 and failed to file portions of the annual reports for fiscal years 2009-10 through 2011-12. Annual reports for these fiscal years have since been filed. Within such time period, the District has failed to file in a timely manner notices of certain listed events. In connection with the annual reports described above, within the past five years, the District has never filed a notice of a failure to provide annual financial information, on or before the date specified in its prior continuing disclosure certificates.

Legality for Investment in California

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

Absence of Material Litigation

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

Information Reporting Requirements

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

Legal Opinion

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, as Bond Counsel. A copy of the proposed form of such legal opinion is attached to this Official Statement as APPENDIX B.

Verification

Upon delivery of the Bonds, Causey Demgen & Moore P.C. will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it relating to the adequacy of the amounts in the Escrow Fund to pay the redemption price of and accrued interest on the 2005 Refunded Bonds and 2005 Series A Refunded Bonds.

Financial Statements

Portions of the financial statements with supplemental information for the year ended June 30, 2014, the independent auditor's report of the District, and the related statements of activities and of cash flows for the year then ended, and the report dated December 11, 2014 of Patel & Associates, LLP (the "Auditor"), are included in this Official Statement as Appendix A. In connection with the inclusion of portions of the financial statements and the report of the Auditor thereon in Appendix A to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

RATINGS

Standard & Poor's and Moody's have assigned ratings of "AA" and "Aa2," respectively, to the Bonds. Such ratings reflect only the views of such organization and any desired explanation of the significance of such ratings should be obtained from the rating agency furnishing the same, at the following addresses: Moody's Investors Service, 7 World Trade Center at 250 Greenwich, New York, New York 10007 and Standard & Poor's, 55 Water Street, New York, New York 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such ratings will continue for any given period of time or that such ratings will not be revised downward or withdrawn entirely by the respective rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price for the Bonds.

UNDERWRITING

Piper Jaffray & Co. (the "Representative") on behalf of itself and Stifel, Nicolaus and Company, Incorporated (collectively, the "Underwriters"), has agreed, pursuant to a contract of purchase by and between the District and the Underwriters, to purchase all of the Series A Bonds for a purchase price of $40,055,088.45 (equal to the principal amount of the Series A Bonds of $38,000,000.00 plus net original issue premium of $2,216,588.45, less an underwriting discount of $161,500.00).

The Representative, on behalf of the Underwriters, has agreed, pursuant to a purchase contract by and between the District and the Underwriters, to purchase all of the Series A Refunding Bonds for a purchase price of $6,588,068.15 (equal to the principal amount of the Series A Refunding Bonds of $6,040,000.00, plus net original issue premium of $573,738.15, less an underwriting discount of $25,670.00).

The Representative, on behalf of the Underwriters, has agreed, pursuant to a purchase contract by and between the District and the Underwriters, to purchase all of the Series B Refunding Bonds for a purchase price of $24,294,149.55 (equal to the principal amount of the Series B Refunding Bonds of $21,660,000.00, plus net original issue premium of $2,726,204.55, less an underwriting discount of $92,055.00).

The purchase contracts related to the Bonds provides that the Underwriters will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by Bond Counsel and certain other conditions. The initial offering prices stated on the inside cover of this Official Statement may be changed from time to time by the Underwriters. The Underwriters may offer and sell Bonds to certain dealers and others at prices lower than such initial offering prices.

Underwriter Disclosures. The Underwriters have provided the following information for inclusion in this Official Statement:

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

ADDITIONAL INFORMATION

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

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

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

This Official Statement and the delivery thereof have been duly approved and authorized by the District.

BELMONT-REDWOOD SHORES SCHOOL DISTRICT

By: /s/ Michael Milliken, Ph.D
Superintendent

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APPENDIX A

EXCERPTS FROM THE 2013-14 AUDITED FINANCIAL STATEMENTS OF THE DISTRICT

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BELMONT-REDWOOD SHORES SCHOOL DISTRICT

COUNTY OF SAN MATEO
BELMONT, CALIFORNIA

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2014

Patel & Associates, LLP
Certified Public Accountants

BELMONT-REDWOOD SHORES SCHOOL DISTRICT

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2014

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Patel & Associates, LLP
Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Belmont-Redwood Shores School District
Belmont, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund Information of Belmont-Redwood Shores School District (the District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Belmont-Redwood Shores School District's basic financial statements as listed in table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; *and Standards and Procedures for Audits of California K-12 Local Education Agencies 2013-2014,* issued by the California Education Audits Appeals Panel as regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund Information of Belmont-Redwood Shores School District as of June 30, 2014, and the respective changes in financial position and, where applicable cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter - Change in Accounting Principles

As discussed in Note 12 to the financial statements, the District has adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which resulted in a restatement of beginning net position in the government-wide financial statements. The impact of the restatement is a reduction in beginning net position of $1,632,201. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the Untied Stated of America require that the management's discussion and analysis, budgetary comparison information and other postemployment benefits, schedule of funding progress and employer contribution on pages 4 through 11, 47 and 48 be presented to supplement the basic financial statements. Such information, although not a part of basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do no express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2014, on our consideration of Belmont-Redwood Shores School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Belmont-Redwood Shores School District's internal control over financial reporting and compliance.

Oakland, California
December 11, 2014

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2014

This Management's Discussion and Analysis of Belmont-Redwood Shores School District's (the District's) financial performance provides an overall review of the District's financial activities for the fiscal year ended June 30, 2014. This review is a part of the audit of the District as a result of the legally required implementation of Governmental Accounting Standards Board Statement No. 34 (GASB 34). The intent of this discussion and analysis is to look at the District's financial performance as a whole. Readers should also review the notes to the basic financial statements and financial statements to enhance their understanding of the District's financial performance.

FINANCIAL HIGHLIGHTS

- Total government wide revenue for 2014 fiscal year was $40,055,900.
- Expenditures totaled $40,950,331.
- Net position reduced by $894,431.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District. These statements are organized so the reader can understand Belmont-Redwood Shores School District as a financial whole, an entire operating entity. The statements provide an increasingly detailed look at specific financial activities.

The first two statements, the Statement of Net Position and Statement of Activities comprise the District-wide government financial statements and that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government wide statements.

The fund financial statements can be further broken down into two types:

- Governmental fund statements which tell how basic services such as regular and special education were financed in the short term, as well as what remains for future spending.
- Fiduciary fund statements, providing information about the financial relationship in which the District acts solely as trustee or agent for the benefit of others to whom the resources belong.

The basic financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Statement of Net Position and the Statement of Activities

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

These two statements report the District's net position and changes in them. Net position is the difference between asset and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's school buildings and other facilities.

In the government-wide financial statements, the District's activities are reported as governmental activities. Most of the District's services are included here such as regular and special education and administration. Funding received from the state of California through the revenue limit, along with categorical and special funding received from the federal and state government fund most of these activities.

REPORTING THE DISTRICTS MOST SIGNIFICANT FUNDS

Fund financial statement

The fund financial statements provide more detailed information about the District's most significant funds - not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Governmental funds - Most of the District's basic services are reported in governmental funds which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statement that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

Table 1: Net Position

	Governmental Activities 2014	Governmental Activities 2013	Total Percentage Change 2013-2014
Current and other assets:			
Cash and investments	$ 17,445,214	$ 47,252,218	(63%)
Receivables	1,442,115	1,720,593	(16%)
Other current assets	222,727	159,589	40%
Subtotal of other assets	19,110,056	49,132,400	(61%)
Capital assets	104,942,114	81,299,448	29%
Total assets	124,052,170	130,431,848	(5%)
Deferred outflow of resources:			
Deferred outflow of resources	553,351	1,632,201	(66%)
Long-term debt liabilities	91,134,889	92,956,053	(2%)
Other liabilities	4,793,487	7,904,220	(39%)
Total liabilities	95,928,376	100,860,273	(5%)
Net Position:			
Invested in capital assets, net of related debt	13,597,540	14,058,087	(3%)
Restricted	2,827,015	2,691,481	(5%)
Unrestricted	12,252,590	14,454,208	(15%)
Total Net Position	$ 28,677,145	$ 31,203,776	(8%)

The District's net position was $28,677,145 for the fiscal year ended June 30, 2014. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school board's ability to use the net position for day to day operations.

Changes in Net Position

A summary of total district revenues, expenses and changes in net position is presented in the table below.

Table 2: Changes in Net Position

	Governmental Activities		Total Percentage Change
	2014	2013	2013-2014
Program revenues:			
Charges for services	$ 59,702	$ 43,758	36%
Federal & State Categorical Grants	3,027,603	2,221,865	36%
Capital grants and contributions	68,381	2,627,033	(97%)
General revenues:			
Taxes levied for general purposes	23,855,202	21,945,744	9%
Taxes levied for debt service	5,064,700	4,864,590	4%
Taxes levied for other specific purposes	3,140,998	3,139,721	0%
Federal & state not restricted to specific purposes	1,636,658	1,541,430	6%
Interest and investment earnings	734,469	582,962	26%
Other general revenue	2,468,187	2,079,255	19%
Total revenues	40,055,900	39,046,358	36%
Expenses			
Instruction	21,456,563	19,767,492	9%
Instruction - related services	3,634,926	3,412,484	7%
Pupil services	2,210,692	1,722,962	28%
Ancillary services	78,522	63,485	24%
General administration	2,641,513	2,414,945	9%
Plant services	2,202,011	2,028,316	9%
Depreciation	4,111,854	2,789,391	47%
Interest on long-term debt	3,817,072	4,415,563	(14%)
Other outgo	797,178	679,838	17%
Total expenses	40,950,331	37,294,476	10%
Increase (decrease) in net position:	(894,431)	1,751,882	(151%)
Net position beginning of the year (2014 restated)	29,571,576	29,451,894	0%
Net position end of the year	$ 28,677,145	$ 31,203,776	(8%)

Government Activities

For 2014 fiscal year, the total District revenues were $40,055,900. The total District expenses were $40,950,331. The difference of $894,431 is the decrease in net position bringing the total net position at June 30, 2014 to $28,677,145 with the restatement of beginning net position by $1,632,201 from implementing GASB 65 to eliminate the deferral of prior debt issuance costs.

The main source of revenue for the District is the property taxes and Federal and State Categorical grants.

The cost of all governmental activities this year was $40,950,331. The amount that our taxpayers ultimately financed for these activities through local taxes was only $32,060,900. The balance was financed by other government agencies and organizations that subsidized certain programs with grants and contributions of $4,792,344.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Table 3: District's Fund Balances

	Fund Balance June 30, 2014	Fund Balance June 30, 2013	Increase/ (Decrease)
General	$ 6,519,254	$ 6,514,068	$ 5,186
Cafeteria	120,590	70,455	50,135
Deferred maintenance	91,494	2,409	89,085
Building	783,878	23,131,737	(22,347,859)
Capital facilities	5,166,360	4,133,776	1,032,584
Special reserve for capital outlays	33,597	33,003	594
Bond interest & redemption	3,495,002	3,233,183	261,819
State school building lease/purchase	17	305	(288)
County school facilities	1,037,904	5,814,417	(4,776,513)
Debt service	112,519	100,717	11,802
Total	$ 17,360,615	$ 43,034,070	$ (25,673,455)

As the District completed this year, our governmental funds reported a combined fund balance of $17,360,615, which is $25,673,455 decrease from last year. The decrease is mainly due to the on-going construction payments.

General Fund Budgetary Highlights

The District's 2013/2014 General Fund operating budget was adopted by the Governing Board in June of 2014. As adopted, projected expenditures and other financing uses totaled $31,908,513. Budgeted revenues and other financing sources totaled $29,574,014 which were projected to be less than expenditures and other financing uses projected by approximately $1,182,110.

There were several formal revisions made to the budget during the year. These revisions fell into four main categories:

1. Increases to both estimated income and appropriations due to the increase in the state, federal and local apportionment.

2. The budgeting of carryover balances from prior years. It is district policy to not budget expenditure totals carried over from a prior year until after the unaudited actual balances for that year have been calculated.

3. Increases in appropriations to prevent budget overages.

4. Addition of in-house programs for mandated services and subsequent reduction in use of contracted services.

During the year, Revenue Limit income budgets were increased by approximately $1,689,586. Budgeted expenditures increased by $2,196,061 for calculated carryover, increase in salary and benefit accounts, materials and supplies, capitalized equipment and inter-fund transfers. As revised, the final General Fund expenditure budget totaled $34,104,574, with revenue projected to be less than expenditures by $493,610. The actual results for the year reflected a deficit of $39,133 with a resulting ending fund balance of $2,740,868.

In order to increase the ending fund balance to support the next fiscal year requirements which includes the continuation of Common Core Standards implementation, the anticipated future negotiation settlements in 2014-15 and the effort to address on-going deficit spending, the District continues to monitor expenditures closely, maintaining K-3 class sizes at 25:1 and 6-8th at 29.5:1. The ending fund balance for the General Fund combined with Fund 17 and Fund 20 will support: (a) the Property Tax Reserve at 1.5% $328,057,(b) Revolving Account $15,000, (c) Health and Welfare (increase and plan migration) $50,000, (d) Special Education $200,000, (e) Legally Restricted Fund Balance for future deficit $1,345,628, (f) Retirement benefits, Fund 20, $1,180,973, and (g) Reserve for economic uncertainties, Fund 17, $2,597,415.

Capital Asset and Debt Administration

Capital Assets at Year End net of Depreciation

At June 30, 2014, the District had $104,942,114 in a broad range of capital assets, including land, buildings and equipment. The District uses $5,000 as its capitalization threshold.

Table 4: Capital Assets

	Governmental Activities 2014	Governmental Activities 2013	Total Percentage Change 2013-2014
Land	$ 13,066,902	$ 13,066,902	0%
Work in progress	152,897		
Buildings and improvements	90,563,895	67,286,478	35%
Equipment	1,158,420	946,068	22%
Total	$ 104,942,114	$ 81,299,448	29%

The District's investment in capital assets amounts to $104,942,114 (net of accumulated depreciation). This investment includes mainly land, buildings, improvements, and equipment.

The District's investment in capital assets increased net $23,642,666 or 29% over the prior year. This increase is mainly due to additional constructions at all schools in the District.

Table 5: Outstanding Long-Term Debt

	Governmental Activities 2014	Governmental Activities 2013	Total Percentage Change 2013-2014
General Obligation Bonds	$ 30,840,000	$ 31,605,000	(2.4%)
School District Bonds	24,659,347	24,839,348	(0.7%)
Measure N Bonds	34,965,000	34,965,000	
Capital lease	9,089	21,968	(58.6%)
Total	$ 90,473,436	$ 91,431,316	(1%)

Outstanding long term obligation decreased by a net amount of $957,880 due to principle redemption during the fiscal year.

Contacting the District Financial Management

This financial report is designed to provide our citizens, taxpayers, parents, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions regarding this report or need additional financial information, contact the office of the Superintendent, Belmont-Redwood Shores School District, 2960 Hallmark Drive, Belmont, CA 94002.

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

		Governmental Activities
ASSETS:		
Cash and investments (Note 2)	$	17,445,214
Accounts receivable (Note 3)		1,442,115
Other current assets		222,727
Capital assets (Note 5)		
Land		13,066,902
Site improvements		
Buildings, net		90,563,895
Equipment, net		1,158,420
Work in progress		152,897
Total assets		124,052,170
DEFERRED OUTFLOW OF RESOURCES:		
Deferred outflow of resources		553,351
Total deferred outflow of resources		553,351
LIABILITIES:		
Accounts payable		1,497,799
Accrued interest		1,605,109
Unearned revenue		251,641
Long-term obligations:		
Due within one year (Note 7)		1,438,937
Due in more than one year (Note 7)		91,134,890
Total liabilities		95,928,376
NET POSITION:		
Invested in capital assets, net of related debt		13,597,540
Restricted for:		
Debt service		1,889,893
School programs		937,122
Unrestricted		12,252,590
Total net position	$	28,677,145

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

		Program Revenues			Net (Expense) Revenue and Changes in Net position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
Instruction	$ 21,456,563	$	$ 1,510,469	$ 68,381	$ (19,877,713)
Instruction-related services	3,634,926		226,737		(3,408,189)
Pupil services	2,210,692	59,702	419,904		(1,731,086)
Ancillary services	78,522		7,018		(71,504)
General administration	2,641,513		144,273		(2,497,240)
Plant services	2,202,011		56		(2,201,955)
Other outgo	797,178		719,146		(78,032)
Depreciation	4,111,854				(4,111,854)
Interest on long-term debt	3,817,072				(3,817,072)
Total governmental activities	$ 40,950,331	$ 59,702	$ 3,027,603	$ 68,381	(37,794,645)
General Revenues:					
Taxes and subventions:					
Taxes levied for general purposes					23,855,202
Taxes levied for debt service					5,064,700
Taxes levied for other specific purposes					3,140,998
Federal and state aid not restricted to specific purposes					1,636,658
Interest and investment earnings					734,469
Miscellaneous					2,468,187
Total general revenues					36,900,214
Change in net position					(894,431)
Net position - beginning (Restated, Note 12)					29,571,576
Net position - ending					$ 28,677,145

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General	Building Fund	Capital Facilities Fund	Bond Interest & Redemption Fund	Non Major Funds	Total Governmental Funds
ASSETS:						
Cash and investments (Note 2)	$ 6,351,423	$ 1,018,260	$ 5,191,345	$ 3,490,633	$ 1,393,553	$ 17,445,214
Accounts receivable (Note 3)	1,392,919	2,592	15,813	4,369	26,422	1,442,115
Due from other funds (Note 4)	34,311				39,726	74,037
Other current assets	222,727					222,727
Total assets	$ 8,001,380	$ 1,020,852	$ 5,207,158	$ 3,495,002	$ 1,459,701	$ 19,184,093
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts payable	$ 1,230,484	$ 162,937	$ 40,798	$	$ 63,580	$ 1,497,799
Due to other funds (Note 4)		74,037				74,037
Unearned revenues	251,642					251,642
Total liabilities	1,482,126	236,974	40,798	$	63,580	1,823,478
Fund balances:						
Nonspendable						
Revolving fund	14,349					14,349
Prepaid assets	222,727					222,727
Restricted for						
Capital projects		783,878			33,597	817,475
Debt services				3,495,002		3,495,002
School programs	579,456				120,590	700,046
Assigned	1,923,685		5,166,360		1,241,934	8,331,979
Unassigned	3,779,037					3,779,037
Total fund balances	6,519,254	783,878	5,166,360	3,495,002	1,396,121	17,360,615
Total liabilities and fund balances	$ 8,001,380	$ 1,020,852	$ 5,207,158	3,495,002	$ 1,459,701	$ 19,184,093

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

Total fund balances - governmental funds			$	17,360,615
Amounts reported for Governmental Activities in the Statement of Net Position are different because:				
Capital assets used for governmental activities are not short-term financial resources and therefore are not reported as assets in governmental funds.				
Cost of capital assets	$	125,255,944		
Less: Accumulated depreciation		(20,313,830)		104,942,114
Interest payable on long-term debt is not accrued as a liability in the balance sheet of government funds				(1,605,109)
Deferred charges on refunding related to the loss on refunding of debt, which is classified as a deferred outflow of resources and expensed over the life of the debt on the government-wide financial statements, but were recorded as an expenditure in the governmental fund statements when the debt was issued.				553,351
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at the year end consist of:				
General obligation bonds payable		30,840,000		
School District Bonds		24,659,347		
Improvement District Bonds		34,965,000		
Capital lease payable		9,089		
Unamortized Bond Premium		1,726,460		
Other post-employment benefits obligation		114,272		
Early retirement incentives		102,653		
Compensated absences		157,005		(92,573,826)
Total net position - governmental activities			$	28,677,145

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2014

	General	Building Fund	Capital Facilities Fund	Bond Interest & Redemption Fund	Non Major Funds	Total Governmental Funds
Revenues						
LCFF Sources:						
State apportionments	$ 1,130,359	$	$	$	$	$ 1,130,359
Local sources	23,855,204					23,855,204
Federal	796,693				156,489	953,182
Other state	1,786,209			28,831	76,704	1,891,744
Other local	5,558,054	342,083	1,150,738	5,069,150	105,386	12,225,411
Total revenues	33,126,519	342,083	1,150,738	5,097,981	338,579	40,055,900
Expenditures						
Instruction	21,560,825					21,560,825
Instruction-related services	3,634,926					3,634,926
Pupil services	1,968,202				242,490	2,210,692
Ancillary services	78,522					78,522
General administration	2,634,710		6,803			2,641,513
Plant services	2,413,566	24,920,462	110,708		2,511,795	29,956,531
Other outgo	636,800					636,800
Debt service:						
Principal	12,879			945,000		957,879
Interest	1,102			3,890,187		3,891,289
Total expenditures	32,941,532	24,920,462	117,511	4,835,187	2,754,285	65,568,977
Excess/(deficiency) of revenues over/(under) expenditures	184,987	(24,578,379)	1,033,227	262,794	(2,415,706)	(25,513,077)
Other financing sources (uses):						
Operating transfers in	589,837	2,695,414			485,935	3,771,186
Operating transfers out	(642,720)	(433,052)			(2,695,414)	(3,771,186)
Other uses	(126,918)	(31,842)	(643)	(975)		(160,378)
Total other financing sources (uses)	(179,801)	2,230,520	(643)	(975)	(2,209,479)	(160,378)
Net change in fund balances	5,186	(22,347,859)	1,032,584	261,819	(4,625,185)	(25,673,455)
Fund balances, July 1, 2013	6,514,068	23,131,737	4,133,776	3,233,183	6,021,306	43,034,070
Fund balances, June 30, 2014	$ 6,519,254	$ 783,878	$ 5,166,360	$ 3,495,002	$ 1,396,121	$ 17,360,615

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2014

Total net change in fund balances - governmental funds		$ (25,673,455)
Amounts reported for Governmental Activities in the Statement of Activities are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which additions to capital outlay exceeds depreciation expense in the period:		
Capital outlay	$ 27,754,520	
Less: Depreciation expense	(4,111,854)	23,642,666
The governmental funds report debt proceeds as other financing source, while repayment of debt principal is reported as an expenditure.		957,879
Governmental funds report the issuance costs and premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		
Amortization of premium	90,535	
Amortization of refunding charge	(217,100)	(126,565)
Interest on long-term debt is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.		200,782
Other Postemployment benefit expenditures are recorded in the governmental funds to the extent of amounts actually funded. In the statement of activities, however, the expense is recorded for the full amount of the accrual-basis annual OPEB cost.		47,857
In the statement of activities, compensated absences and postemployment benefits are measured by the amounts earned during the year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid).		
Decrease in post employment benefit	71,587	
Increase in compensated absences	(15,182)	56,405
Changes in net position - governmental activities		$ (894,431)

The accompanying notes are an integral part of these financial statements

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUND
YEAR ENDED JUNE 30, 2014

		Agency Fund
Assets		
Cash	$	101,787
Total assets	$	101,787
Liabilities		
Due to students groups	$	101,787
Total liabilities	$	101,787

The accompanying notes are an integral part of these financial statements

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Belmont-Redwood Shores School District (the District) is located in the northeastern portion of San Mateo County, California. The School District was formed as an elementary school district in 1861 and includes all of the City of Belmont and portions of the incorporated cities of San Mateo, Redwood City, Foster City and San Carlos. The School District operates six elementary schools and one middle school.

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The criteria for including organizations as component units within the District's reporting entity, as set forth in GASB Statement No. 14, "The Financial Reporting Entity," include whether:

- the organization is legally separate (can sue and be sued in its name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is fiscal dependency by the organization on the District

Based on these criteria, the District has no component units.

B. Basis of Presentation

Government-wide financial statements:

The government-wide financial statements (i.e. the statement of net position and the statement of changes in net position) report information on all of the activities of the District.

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

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

Fund Financial Statements:

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

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

Fiduciary funds are reported using the economic resources measurement focus.

C. Fund Accounting

District accounts are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts comprised of assets, liabilities, fund equity (or retained earnings), revenues and expenditures or expenses as appropriate. Governmental resources allocated to individual funds are recorded for the purpose of carrying on specific activities in accordance with laws, regulations, or other appropriate requirements. The fund types and funds utilized by the District are described below:

Major Governmental Funds:

- *The General Fund* serves as the general operating fund. It is used to account for all financial resources of the District except those required to be accounted for in another fund.

  Special Reserve Fund for other Than Capital Outlay Projects and Special Reserve Fund for Postemployment Benefits (Special Reserve Fund) do not meet the definition of special revenue funds under GASB Statement No. 54. Since Special Reserve Funds are authorized by statute, they will remain open for internal reporting purposes. The two funds function effectively as an extension of the General Fund and thus, have been combined with the General Fund for presentation in the audited financial statements.

- *The Building Fund* is used to account for the acquisition of major governmental capital facilities and buildings from the sale of bond proceeds.

- *The Bond Interest and Redemption Fund* is used to account for the accumulation of resources and the repayment of District bond, principal, interest and related costs.

- *The Capital Facilities Fund* is used to account for resources from developer impact fees assessed under provisions of the California Environmental Quality Act (CEQA).

Non-Major Governmental Funds:

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

- *Cafeteria Fund* is used to account for revenues received and expenditures of the District's food service programs.

- *Deferred Maintenance Fund* is used for the purpose of major repairs or replacement of District property.

Debt Service Fund are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for the acquisition and/or construction of all major governmental general fixed assets.

- *The State School Building Lease-Purchase Fund* is used primarily to account for state apportionments provided for construction and reconstruction of school facilities.

- *The Special Reserve for Capital Outlay Fund* exists primarily to account for resources accumulated for capital outlay.

- *The County School Facilities Fund* is established pursuant to Education Code Section 17070.43 to receive apportionments from the State School Facilities Fund authorized by the State Allocation Board for new school facility construction, modernization projects and facility hardship grants.

Fiduciary Funds:

Expendable Trust Funds are used to account for donations that have the stipulation that principal be expended for a specific purpose. The following expendable trust fund is utilized:

- *Agency Funds* are used to account for assets of others for which the District acts as an agent. The District maintains an agency fund for the student body accounts. The Student Body Fund is used to account for the raising and expending of money to promote the general welfare, morale, and educational experience of the student body. The amounts reported for student body funds represent the combined totals of all schools within the District.

D. Accounting Policies

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

E. Basis of Accounting

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

Revenues - Exchange and Non-exchange Transactions:

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

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specific purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Unearned revenue:

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

Expenses/Expenditures:

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

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

Deposits and Investments

Cash balances held in banks and in revolving funds are insured up to $250,000 by the Federal Deposit Insurance Corporation.

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

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

Capital Assets

Capital assets are those purchased or acquired with an original cost of $5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

Asset Class	Estimated Useful Life in Years
Land	N/A
Land improvements	20
Building and structures	25-50
Equipment	5-15

Compensated Absences

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

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

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts as well as issuance costs are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of applicable bond premium or discount. Bond issuance costs related to prepaid insurance costs are deferred and amortized over the term of the related debt.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued, premiums or discounts are reported as other financing sources/used, whereas, issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures

Net Position

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

Property Tax

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

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

F. Budgets and Budgetary Accounting

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

These budgets are revised by the District's governing board and district superintendent during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements.

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

G. Fund Balance

At June 30, 2014, fund balances of the governmental funds are classified as follows:

- **Nonspendable** – Amounts that cannot be spent because they are either (a) not in spendable form (inventories, prepaid amounts, etc.) or (b) legally or contractually required to be maintained intact.

- **Restricted** – Amounts with constraints that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed** – Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District’s Board. Those committed amounts cannot be used for any other purpose unless the District Board removes or changes the specified use by taking the same type of action (legislation, resolution, ordinance) it employed to previously commit those amounts.

- **Assigned** – Amounts the District intends to be used for specific purposes that are neither restricted nor committed.

- **Unassigned** – The residual balance that has not been assigned to other funds and is not restricted, committed or assigned for specific purposes.

The District applies restricted resources first when an expense is incurred for purposes for which both restricted and other funds are available, then it applies amounts to the committed fund balance followed by assigned and then unassigned amounts.

Minimum Fund Balance Policy

The District maintains a minimum unassigned fund balance of not less than 3 percent of budgeted general fund expenditures and other financing uses as a reserve for economic uncertainties. The governing board believes a reserve of this level is prudent to protect the District from the effects of fluctuations in property tax revenues to which basic aid districts such as this District are vulnerable. Because amounts in the nonspendable, restricted, committed and assigned categories are subject to varying constraints on their use, the reserve for economic uncertainties consists of balances that are otherwise unassigned.

H. Accounting Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Change in Accounting Principles

As the result of implementing GASB Statement No. 65, the District has restated the beginning net position in the government-wide Statement of Net Position, effectively decreasing net position as of July 1, 2013, by $1,632,201. The decrease results from no longer deferring and amortizing bond issuance costs.

J. New Accounting Pronouncements

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This is applicable to the District effective from fiscal year ending June 30, 2015.

NOTE 2: CASH AND INVESTMENTS

The District's cash and investments as of June 30, 2014 are as follows:

Governmental activities	$	17,445,214
Fiduciary funds		101,787
Total cash and investments	$	17,547,001

Cash and investments as of June 30, 2014 consist of the following:

Cash in revolving account and bank	$	169,170
Investments		17,377,831
Total cash and investments	$	17,547,001

Cash in revolving account and bank

Cash balances in the revolving funds and banks are insured up to $250,000 by the Federal Depository Insurance Corporation. All cash held by the financial institution is fully insured.

Investments

The District's investments consist of the following at June 30, 2014:

Cash with the county treasury	$	17,068,453
LAIF		132,190
Cash with trustees		177,188
Total investments	$	17,377,831

Cash with county treasury – The District is considered to be an involuntary participant in an external investment pool as the District is required to deposit all receipts and collections of monies with their County Treasurer (Education Code Section 41001). The fair value of the District's investment in the pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the County Treasurer for the entire portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by the County Treasurer, which is recorded on the amortized cost basis. Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2014 basic financial statements. A copy of that report may be obtained by contacting the Controller's Office, County of San Mateo, 555 County Center, Redwood City 94063.

Investment in the State Investment Pool – The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California government code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the District's investment in the pool is reported in the accompanying financial statement at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on the amortized cost basis.

Cash with the fiscal agents - The District maintains some cash with the bond trustee. The bond trustee invests the funds as authorized under the bond indenture.

Policies and Practices

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

General Authorizations

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

Authorized investment type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local agency bonds, notes, warrants	5 years	None	None
Registered state bonds, notes, warrants	5 years	None	None
U.S. treasury obligations	5 years	None	None
U.S. agency securities	5 years	None	None
Banker's acceptance	180 days	40%	30%
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Repurchase agreements	1 year	None	None
Reverse repurchase agreements	92 days	20% of base	None
Medium-term notes	5 years	30%	None
Mutual funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Mortgage pass-through funds	5 years	20%	None
County pooled investment funds	N/A	None	None
Local agency investment fund (LAIF)	N/A	None	None
Joint powers authority pools	N/A	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

The District monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. Weighted average maturity of the District's investment in County Pool is 1.71 years.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The San Mateo County Pool and the State Investment Pool are not rated.

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2014 consisted of grants, entitlements, interest and other local sources. All accounts receivable are considered collectible in full.

	General Fund	Building Fund	Capital Facilities Fund	Bond Interest and Redemption Fund	Non-major Governmental Funds	Total
Federal sources:						
Federal programs	$ 166,945	$	$	$	$ 17,064	$ 184,009
Total federal	166,945				17,064	184,009
State sources:						
Revenue limit	350,363					350,363
Categorical programs	563,651					563,651
Lottery	114,723					114,723
Total state	1,028,737					1,028,737
Local sources:						
Interest	20,095	2,592	6,617	4,369	2,003	35,676
Other	177,142		9,196		7,355	193,693
Total local	197,237	2,592	15,813	4,369	9,358	229,369
Total accounts receivable	$ 1,392,919	$ 2,592	$ 15,813	$ 4,369	$ 26,422	$ 1,442,115

NOTE 4: INTERFUND TRANSACTIONS

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

Interfund Receivables/Payables (Due To/Due From)

Interfund receivable and payable balances at June 30, 2014, between major and nonmajor governmental funds were as follows:

Fund	Interfund Receivables	Interfund Payables
General	$ 34,311	$
Building		74,037
Non-major fund	39,726	
Totals	$ 74,037	$ 74,037

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended. Interfund transfers for fiscal year 2013-2014 were as follows:

Fund	Transfers In	Transfers Out
General Fund	$ 589,837	$ 642,720
Building Fund	2,695,414	433,052
Non-major governmental funds	485,935	2,695,414
	$ 3,777,186	$ 3,777,186

Reasons for interfund transfers are as follows:

The Special Reserve Other than Capital Outlay Fund transferred to the General Fund to build up reserve	$	277,763
The Building Fund transferred to County School Facility Fund for investment recovery received from Lehman Brothers		398,741
The Building Fund transferred to the General Fund for teachers' salaries compensated for time on bond projects		34,311
The County School Facility Fund transferred to the Building Fund the State Facility Matching Funds for Ralston projects		2,695,414
The General Fund transferred to the Deferred Maintenance Fund to build up the reserve		87,194
The General Fund transferred to the Special Reserve for Post-Employment Benefit Fund to build up reserve		277,763
Total	$	3,777,186

NOTE 5: CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2014 is shown below:

	Balance, July 1, 2013	Additions	Deductions	Balance June 30, 2014
Capital assets, not being depreciated				
Land	$ 13,066,902	$	$	$ 13,066,902
Construction in progress		152,897		152,897
Total capital assets, not being depreciated	13,066,902	152,897		13,219,799
Capital assets being depreciated				
Buildings and improvements	82,935,579	27,154,814		110,090,393
Vehicle and equipment	1,498,943	446,809		1,945,752
Total capital assets, being depreciated	84,434,522	27,601,623		112,036,145
Less accumulated depreciation for				
Buildings and improvements	15,649,101	3,877,397		19,526,498
Vehicle and equipment	552,875	234,457		787,332
Total accumulated depreciation	16,201,976	4,111,854		20,313,830
Total capital assets, being depreciated, net	68,232,546	23,489,769		91,722,315
Governmental activities capital assets, net	$ 81,299,448	$ 23,642,666	$	$ 104,942,114

NOTE 6: TAX AND REVENUE ANTICIPATION NOTES (TRANS)

The TRANS are a general obligation of the District, and are payable from revenues and cash receipts to be generated by the District. The funds were used to supplement cash flow.

NOTE 7: LONG-TERM OBLIGATIONS

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

	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014	Due Within One Year
2005 General Obligation Bonds	$ 31,605,000	$	$ 765,000	$ 30,840,000	$ 870,000
School District Bonds	24,839,348		180,000	24,659,348	190,748
Measure N Bonds	34,965,000			34,965,000	23,579
Capital lease obligations	21,968		12,879	9,089	9,089
Bond Premium	1,816,997		90,537	1,726,460	90,537
Total Long Term Debt net of premium and refunding charge	93,248,313		1,048,416	92,199,897	1,183,953
Early retirement incentives	174,240		71,587	102,653	66,465
Other postemployment benefits	162,129		47,857	114,272	31,514
Compensated absences	141,823	15,182		157,005	157,005
Totals	$ 93,726,505	$ 15,182	$ 1,167,860	$ 92,573,827	$ 1,438,937

Payments for the capital lease obligations are paid from the Capital Facilities Fund. Payments on the general obligation bonds are made by the Bond Interest and Redemption Fund from local revenues. The accrued vacation will be paid by the fund for which the employee worked.

A. 2005 General Obligation Bonds Payable

The outstanding general obligation bonded debt of the District at June 30, 2014, is as follows:

Series	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue	Amount Outstanding July 1, 2013	Addition/ accretion	Redeemed	Amount Outstanding June 30, 2014
2005 GO Refunding	2/1/2005	3.00 to 5.25%	2022	$ 11,720,000	$ 8,320,000	$	$ 595,000	$ 7,725,000
2005 GO bonds – Series A	8/17/2007	4.00 to 5.25%	2026	25,000,000	23,285,000		170,000	23,115,000
Totals				$ 36,720,000	$ 31,605,000	$	$ 765,000	$ 30,840,000

2005 General Obligation Refunding Bond

In prior years, the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements.

Annual debt service requirements of the General Obligation Bond consisted of the following as of June 30, 2014:

Year Ended June 30,	Principal	Interest	Total
2015	$ 635,000	$ 338,050	$ 973,050
2016	685,000	311,650	996,650
2017	735,000	283,250	1,018,250
2018	790,000	250,775	1,040,775
2019	845,000	213,988	1,058,988
2020-2023	4,035,000	418,338	4,453,338
Total	7,725,000	$ 1,816,051	$ 9,541,051
Bond Premium, net of amortization	287,193		
Total	$ 8,012,193		

Election of 2005 General Obligation Bond – Series A

On August 17, 2007, the District issued $25,000,000 of general obligation bonds. The entire net proceeds of the Bonds were used to finance the acquisition of land and the construction of a new elementary school and to pay certain costs of issuance of the bonds.

Annual debt service requirements of the bond consisted of the following as of June 30, 2014:

Year Ended June 30,	Principal	Interest	Total
2015	$ 235,000	$ 1,160,325	$ 1,395,325
2016	300,000	1,148,288	1,448,288
2017	370,000	1,133,213	1,503,213
2018	450,000	1,114,763	1,564,763
2019	530,000	1,093,375	1,623,375
2020-2024	4,180,000	4,921,000	9,101,000
2025-2029	7,600,000	3,410,006	11,010,006
2030-2033	9,450,000	999,250	10,449,250
Total	23,115,000	$ 14,980,220	$ 38,095,220
Bond Premium, net of amortization	467,864		
Total	$ 23,582,864		

B. School District Bonds Payable

The School District Bonds represent an obligation of the School District payable solely from *ad lalorem* property taxes levied and collected by the County. The Bonds were issued on August 30, 2011 under the authorization of general election held on November 2, 2010, by an affirmative vote of the requisite 55% or more of the votes cast by eligible voters within the School District. The Bonds consisted of Series A bonds (tax-exempt) and Series B bonds (Federal taxable). Outstanding School District Bonds at June 30, 2014, were:

Series	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue	Amount Outstanding July 1, 2013	Addition/ accretion	Redeemed	Amount Outstanding June 30, 2014
School District Bonds– Series A	8/2/2011	5.00 to 6.81%	2046	$ 19,419,348	$ 19,419,348	$	$	$ 19,419,348
School District Bonds – Series B	8/2/2011	3.20 to 5.57%	2033	5,580,000	5,420,000		180,000	5,240,000
Totals				$ 24,999,348	$ 24,839,348	$	$ 180,000	$ 24,659,348

School District Bonds – Series A

The School District Series A Bonds are being issued to mainly acquire, upgrade, construct, improve and equip School District sites and facilities. Annual debt service requirements of the School District Series A Bonds consisted of the following as of June 30, 2014:

Year Ended June 30,	Principal	Interest	Total
2015	$ 10,748	$ 707,680	$ 718,428
2016	22,372	724,379	746,751
2017	39,917	743,292	783,209
2018	50,871	772,771	823,312
2019	65,804	806,005	871,809
2020-2024	296,530	4,898,276	5,194,806
2025-2029	358,759	6,194,892	6,553,651
2030-2034	788,149	7,322,215	8,110,364
2035-2039	2,965,387	9,847,369	12,812,756
2040-2044	5,730,811	6,970,607	12,701,418
2045-2047	9,090,000	519,125	9,609,125
Total	19,419,348	$ 39,506,281	$ 58,925,629
Bond Premium, net of amortization	379,613		
Total	$ 19,798,961		

School District Bonds – Series B

On August 2, 2011, the District issued $5,580,000 of the School District Series B Bonds to advance payment of outstanding School District 2005 Refunding Certificates of Participation.

Of the proceeds from these bonds, the District has deposited $5,577,071 with the escrow agent to advance payment of outstanding School District 2005 Refunding Certificates of Participation (the COP) in the amount of $5,310,000. The refunding provided resources to purchase securities that were placed in an irrevocable escrow for the purpose of making future debt service payments on the COP through September 1, 2015. As a result, the COP debt is considered to be defeased and the liability has been removed from the governmental activities of the statement of net position. As the payment of $5,577,071 for advance-exceeded the outstanding COP liability of $5,310,000, the difference of $277,071 is treated as refunding charge and netted against the new bond debt and amortized over the life of the COP, which is shorter than the life of the School District Series B Bonds.

The annual requirements to amortize the School District Series B Bonds payable, outstanding as of June 30, 2014 are as follows:

Year Ended June 30,	Principal	Interest	Total
2015	$ 180,000	$ 238,301	$ 418,301
2016	185,000	233,922	418,922
2017	185,000	228,912	413,912
2018	195,000	222,771	417,771
2019	200,000	215,926	415,926
2020-2024	1,110,000	949,924	2,059,924
2025-2029	1,385,000	654,484	2,039,484
2030-2034	1,800,000	218,989	2,018,989
Total	$ 5,240,000	$ 2,963,228	$ 8,203,228

C. Measure N Bonds

The Measure N Bonds represent an obligation of the School District payable solely from *ad lalorem* property taxes levied and collected by the County. On November 2, 2010, the registered voters of the Belmont-Redwood Shoes School District approved by more than 55% Measure “N”, authorizing the issuance and sale of not-to-exceed $35,000,000 of general obligation bonds of the District. On August 2, 2011 the District issued Series A of the Election of 2010 General Obligation Bonds in the amount of $30,996,421. On June 19, 2013 the Districted issued Series B of the Election of 2010 General Obligation Bonds in the amount of $4,003,579. The Bonds are being issued to mainly acquire, upgrade, construct, improve and equip certain elementary school property and facilities within the District.

Series	Date of Issuance	Interest Rate	Maturity Date	Amount of Original Issue	Amount Outstanding July 1, 2013	Addition/ accretion	Redeemed	Amount Outstanding June 30, 2014
School District Bonds – Series A	8/2/2011	5.00 to 6.3%	2046	$ 30,996,421	$ 30,961,421	$	$	$ 30,961,421
School District Bonds – Series B	6/19/2014	2.00 to 4.50%	2037	4,003,579	4,003,579			4,003,579
Totals				$ 35,000,000	$ 34,965,000	$	$	$ 34,965,000

The annual debt service requirements of the Measure "N" Bonds consisted of the following as of June 30, 2014:

Year Ended June 30,	Principal	Interest	Total
2015	$ 23,579	$ 1,492,630	$ 1,516,209
2016	45,833	1,510,400	1,556,233
2017	76,638	1,535,468	1,612,106
2018	100,182	1,567,303	1,667,485
2019	121,435	1,603,453	1,724,888
2020-2024	988,072	8,754,434	9,742,506
2025-2029	1,591,211	9,772,506	11,363,717
2030-2034	3,017,780	11,076,236	14,094,016
2035-2039	7,614,232	7,064,371	14,678,603
2040-2044	10,521,038	6,261,297	16,782,335
2045-2047	10,865,000	620,521	11,485,521
Total	34,965,000	$ 51,258,619	$ 86,223,619
Bond Premium, net of amortization	591,789		
Total	$ 35,556,789		

D. Capital lease obligation

The annual debt service requirements of the capital lease obligation for the copier consisted of the following as of June 30, 2014:

Year Ending June 30,	Principal	Interest	Total
2015	$ 9,089	$ 234	$ 9,323
Total	$ 9,089	$ 234	$ 9,323

E. Postemployment Benefits Obligations

The District was in the third year of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* during the year ended June 30, 2014. The District's annual required contribution (ARC) for the year ended June 30, 2014 was $47,288, overfunded annual required contribution was $2,170 and contributions made by the District during the year were $92,975, which resulted in a net OPEB obligation of $114,272. See Note 11 for additional information regarding the OPEB Obligation and the postemployment benefit plan.

F. Early Retirement

Early retirement incentive benefits are provided to the employees who retired under golden hand shake program of the District, pursuant to Education Code Sections 22714 and 44929, whereby the service credit to eligible employees is increased by two years. Currently, the District has 24 employees who opted under the program. The approximate accumulated liability for the District at June 30, 2014, amounts to $102,683.

NOTE 8: RISK MANAGEMENT

The District's risk management activities are recorded in the General Fund. Employee life, health, and disability programs are administered by the General Fund through the purchase of commercial insurance and participation in a public entity risk pool. The District participates in the San Mateo County Schools Insurance Group (SMCSIG) public entity risk pool (JPA). Refer to Note 9 for additional information regarding the JPA. Excess property and liability coverage is obtained through School Excess Liability Fund.

As of June 30, 2014, there are no outstanding claims liabilities to the District as all claims are filed on and paid by SMCSIG.

Coverage provided by SMCSIG for property and liability workers' compensation is as follows:

Type of Coverage	Limits
Workers' compensation	State of California Statutory Limits
Property	$250,000 - $1,000,000,000 per occurrence
Liability	$250,000 - $25,000,000 per occurrence

NOTE 9: JOINT VENTURES (Joint Powers Agreements)

The District is a member of the SMCSIG joint powers authority (JPA). The District pays an annual premium to the entity for its health, workers' compensation, and property liability coverage. The relationships between the District and the JPA is such that it is not a component unit of the District for financial reporting purposes.

This entity has budgeting and financial reporting requirements independent of member units and its financial statements are not presented in these financial statements; however, fund transactions between the entity and the District are included in these statements. Audited financial statements are available from the entity.

A.	Entity	San Mateo County Schools Insurance Group
B.	Purpose	Provide property and liability, casualty, workers' compensation, dental and vision coverage.
C.	Participants	Local educational agencies
D.	Governing Board	Representatives from member agencies

E. Condensed Audited Financial Information Follows

		June 30, 2014
Assets	$	17,343,941
Liabilities		8,411,639
Fund Balance	$	8,932,302
Revenues	$	35,889,261
Expenses		35,880,935
Net Increase in Net Position	$	8,326

F. Payments for the Current Year:

Workers' Compensation	$	322,322
Property Liability	$	146,672
Comprehensive & Collision Coverage	$	537
Dental	$	417,656
Vision	$	53,206

NOTE 10: EMPLOYEE RETIREMENT SYSTEMS

Qualified employees are covered under multiple employer defined benefit pension plans maintained by agencies of the State of California. Certificated employees are members of the State Teachers' Retirement System (STRS), and classified employees are members of the Public Employees' Retirement System (PERS).

A. PERS:

Plan Description

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

Funding Policy

Active classic and new plan members are required to contribute 7% and 6%, respectively, of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2013-2014 was 11.442% of annual payroll. The contribution requirements of the plan members are established by State statute. The District's contributions to CalPERS for the fiscal year ending June 30, 2014, 2013 and 2012 were $493,460, $459,840, and $410,866, respectively, and equal to 100% of the required contributions for each year.

B. STRS

Plan Description

The District contributes to the California State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information, Copies of the STRS annual financial report may be obtained from the STRS, 7667 Folsom Boulevard, Sacramento, California 95826.

Funding Policy

Active plan members are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the STRS Teachers' Retirement Board. The required employer contribution rate for fiscal year 2013-2014 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal year ended June 30, 2014, 2013 and 2012 were $1,315,348, $1, 271,896, and $1, 227,949, respectively, and equal 100% of the required contributions for each year.

NOTE 11: POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS

Plan Description

The District administers a single-employer defined benefit plan. It provides postretirement health care benefits to all employees who retire from the District on or after attaining age 55 with at least 20 years of service. The number of years of postretirement payments varies by employee group: classified - 3 years; certificated - 3 years; confidential – 5 years. Administrators receive employee plus one dependent premium rate until age 65. On June 30, 2014, membership of the plan consists of 85 retirees currently receiving benefits, and 253 active plan members.

Funding policy

The contribution requirements of plan members and the District are established and may be amended by the District, the District’s bargaining units and unrepresented groups. For fiscal year 2013-14, the District contributed $92,975 to the plan, all of which was used for current premiums of health and medical benefits for retired employees.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation to the Plan:

		For the Fiscal Year Ending June 30, 2014
Determination of Net OPEB Obligation		
Annual Required Contribution	$	47,288
Overfunded annual required contribution		(2,170)
Contributions made		(92,975)
Decrease in Net OPEB Obligation		(47,857)
Net OPEB Obligation – beginning of year		162,129
Net OPEB Obligation – end of year	$	114,272

The annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB asset for 2014 was as follows:

Fiscal Year Ended	Annual Required Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	$ 106,843	64%	$ 212,374
6/30/2013	$ 93,725	151%	$ 162,129
6/30/2014	$ 47,288	197%	$ 114,272

Funded Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

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

In the September 1, 2013 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.75% investment rate of return and a healthcare cost trend of 4% with underlying general inflation rate of 2.75%. The UAAL is being amortized at a level percentage of payroll method over a period of 30 years.

NOTE 12: RESTATEMENT OF BEGINNING NET POSITION

The District has implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities* for the year ended June 30, 2014. Under the provisions of GASB 65, deferred issuance costs are now considered to be period expenses and are no longer deferred and amortized to expense. As a result, the District's beginning net positon was restated to eliminate the deferral of any prior debt issuance costs as an adjustment to the beginning net position.

		Net Position
Balance – July 1, 2013	$	31,203,776
Adjustment to eliminate unamortized debt issuance costs as of July 1, 2013		(1,632,201)
Balance – July 1, 2013, as restated	$	29,571,576

NOTE 13: COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards, and Grants

The District has received state and federal funds for specific purposes that are subject to view and audit by the grantor agencies. If the review or audit discloses exception, the District may incur a liability to grantor agencies.

B. Litigation

Various claims and litigation involving the District are currently outstanding. However, management of the District believes, based on consultation with legal counsel, that the ultimate resolution of these matters will not have a material adverse effect on the District's financial position or results of operations.

C. Construction Commitments

As of June 30, 2014, the District had the following commitments with respect to the unfinished capital projects:

Capital Project		Remaining Construction Commitment	Expected Date of Completion
Central	$	75,000	June, 2015
Cipriani		149,647	August, 2015
Fox		294,000	September, 2016
Nesbit		100,000	September, 2015
Ralston		940,000	August, 2015
District		386,050	December, 2014
Total	$	1,944,697	

NOTE 14: SUBSEQUENT EVENTS

A. TRANS

The District issued $5,475,000 in tax revenue anticipation notes dated July 3, 2014. The notes mature on June 30, 2015. The notes were sold to supplement cash flow.

B. BOND ISSUE, MEASURE I

On November 4, 2014, voters in the Belmont-Redwood Shores School District approved the District’s bond issue, Measure I. Measure I authorized the district to increase its debt by $48 million through issuing general obligation bonds in that amount. The bonds will be issued for the District’s capital projects. District officials best estimate is that an additional property tax levy of about $19.98 per $100,000 of assessed property value would be required to repay these bonds.

REQUIRED SUPPLEMENTARY INFORMATION

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP)
GENERAL FUND
YEAR ENDED JUNE 30, 2014

	Budgeted Amounts			Variance with Final Budget
	Original	**Final**	**Actual (GAAP Basis)**	**Positive-(Negative)**
Revenues				
Revenue Limit Sources:				
State apportionments	$ 199,943	$ 403,517	$ 1,130,359	$ 726,842
Local sources	23,088,375	24,574,387	23,855,204	(719,183)
Total revenue limit	23,288,318	24,977,904	24,985,563	7,659
Federal revenue	775,910	803,155	796,693	(6,462)
Other state revenue	835,271	1,770,811	1,786,209	15,398
Other local revenue	4,698,585	5,825,166	5,558,054	(267,112)
Total revenues	29,598,084	33,377,036	33,126,519	(250,517)
Expenditures				
Certificated salaries	16,821,905	16,947,650	16,852,548	95,102
Classified salaries	4,580,437	4,564,327	4,550,646	13,681
Employee benefits	4,668,162	4,589,477	4,464,430	125,047
Books & supplies	632,504	1,525,668	1,351,682	173,986
Services and other operating expenditures	4,584,214	5,255,588	5,079,551	176,037
Capital outlay		206,127	118,812	87,315
Other outgo	621,291	650,780	523,863	126,917
Total expenditures	31,908,513	33,739,617	32,941,532	798,085
Excess/(deficiency) of revenues over/(under) expenditures	(2,310,429)	(362,581)	184,987	547,568
Other Financing Sources/(Uses)				
Operating transfers in	1,182,110	555,526	589,837	34,311
Operating transfers out	(671,064)	(642,720)	(642,720)	
Other sources (uses)			(126,918)	(126,918)
Total other financing (uses)	511,046	(87,194)	(179,801)	(92,607)
Net change in fund balance	(1,799,383)	(449,775)	5,186	454,961
Fund balance/equity, July 1, 2013	6,514,068	6,514,068	6,514,068	
Fund balance/equity, June 30, 2014	$ 4,714,685	$ 6,064,293	$ 6,519,254	$ 454,961

Due to consolidation of Special Reserve Fund for Other Than Capital Outlays Fund and Special expenditures of Special Fund for Postemployment Benefits with General Fund, reporting purposes, revenues and expenditures of Special Reserve Fund are included in the Actual (GAAP Basis) revenues and expenditures and in the original and final budgets.

BELMONT-REDWOOD SHORES SCHOOL DISTRICT
SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS AND EMPLOYER CONTRIBUTION
FOR THE YEAR ENDED JUNE 30, 2014

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	AAL (Entry Age Normal)	UAAL	Funded Ratio	Covered Payroll	UAAL as a % of Cov. Payroll
09/01/2009	$0	$1,159,982	$1,159,982	0.0%	$15,759,067	7.36%
09/01/2011	$0	$1,185,222	$1,185,222	0.0%	$16,465,040	7.20%
09/01/2013	$0	$1,282,449	$1,239,630	0.0%	$21,182,604	5.85%

APPENDIX B

FORMS OF OPINIONS OF BOND COUNSEL

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

June 4, 2015

Board of Trustees
Belmont-Redwood Shores School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $38,000,000 Belmont-Redwood Shores School District (San Mateo County, California) Election of 2014 General Obligation Bonds, Series A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Article 4.5 of Chapter 3 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California, the requisite fifty-five percent or more vote of the qualified electors of the Belmont-Redwood Shores School District (the "District") voting at an election held on November 4, 2014, and a resolution adopted by the Board of Trustees of the District (the "Resolution").

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

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

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

5. The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bonds constitutes original issue discount.

Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues to the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, and is exempt from State of California personal income tax.

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

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

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

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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

June 4, 2015

Board of Trustees
Belmont-Redwood Shores School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $6,040,000 Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series A (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the Belmont-Redwood Shores School District (the "District").

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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

June 4, 2015

Board of Trustees
Belmont-Redwood Shores School District

Members of the Board of Trustees:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $21,660,000 Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series B (Redwood Shores School Facilities Improvement District) (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution adopted by the Board of Trustees of the Belmont-Redwood Shores School District (the "District").

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

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

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APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the Belmont-Redwood Shores School District (the "District") in connection with the issuance of [(i) $38,000,000 Belmont-Redwood Shores School District (San Mateo County, California) Election of 2014 General Obligation Bonds, Series A, and (ii) $6,040,000 Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series A (together, the "Bonds")/$21,660,000 Belmont-Redwood Shores School District (San Mateo County, California) 2015 General Obligation Refunding Bonds, Series B (Redwood Shores School Facilities Improvement District) (the "Bonds")]. The Bonds are being issued pursuant to [resolutions/a resolution] of the Board of Trustees of the District adopted on April 2, 2015 ([together, the "Resolutions"/the "Resolution"]). 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 SEC Rule 15c2-12(b)(5).

SECTION 2. Definitions. In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean initially the District, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

"Listed Events" shall mean any of the events listed in Sections 5(a) or (b) of this Disclosure Certificate.

"Participating Underwriter" shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

"Repository" shall mean the Municipal Securities Rulemaking Board, which can be found at http://emma.msrb.org/, or any other repository of disclosure information that may be designated by the Securities and Exchange Commission as such for purposes of the Rule in the future.

"Rule" shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the District's fiscal year (presently ending June 30), commencing with the report for the 2014-15 Fiscal Year, provide to the Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided* that the audited financial statements of the District may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the District's fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c).

(b) Not later than 30 days (nor more than 60 days) prior to said date the Dissemination Agent shall give notice to the District that the Annual Report shall be required to be filed in accordance with the terms of this Disclosure Certificate. Not later than 15 Business Days prior to said date, the District shall provide the Annual Report in a format suitable for reporting to the Repository to the Dissemination Agent (if other than the District). If the District is unable to provide to the Repository an Annual Report by the date required in subsection (a), the District shall send a notice in a timely manner to the Repository in substantially the form attached as Exhibit A with a copy to the Dissemination Agent. The Dissemination Agent shall not be required to file a Notice to Repository of Failure to File an Annual Report.

(c) The Dissemination Agent shall file a report with the District stating it has filed the Annual Report in accordance with its obligations hereunder, stating the date it was provided to the Repository.

SECTION 4. Content and Form of Annual Reports.

(a) The District's Annual Report shall contain or include by reference the following:

1. The audited financial statements of the District for the prior fiscal year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the District's audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

2. Material financial information and operating data with respect to the District of the type included in the Official Statement in the following categories (to the extent not included in the District's audited financial statements):

(a) State funding received by the District for the last completed fiscal year;

(b) average daily attendance of the District for the last completed fiscal year;

(c) outstanding District indebtedness;

(d) summary financial information on revenues, expenditures and fund balances for the District's general fund reflecting adopted budget for the current fiscal year;

(e) assessed valuation of taxable property within the [District/Improvement District] for the current fiscal year;

(f) The top 10 largest property taxpayers for the [District/Improvement District], as shown in the most recent equalized assessment roll; and

(g) secured tax levy collections and delinquencies within the [District/Improvement District] for the last completed year, except to the extent that the Teeter Plan, if and as adopted by the County, applies to both the 1% general purpose *ad valorem* property tax levy and to the tax levy for general obligation bonds of the District.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to the Repository or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify each such other document so included by reference.

(b) The Annual Report shall be filed in an electronic format accompanied by identifying information prescribed by the Municipal Securities Rulemaking Board.

SECTION 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5(a), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not in excess of 10 business days after the occurrence of the event:

1. principal and interest payment delinquencies.

2. tender offers.

3. defeasances.

4. rating changes.

5. adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, adverse tax opinions or Notices of Proposed Issue (IRS Form 5701-TEB).

6. unscheduled draws on the debt service reserves reflecting financial difficulties.

7. unscheduled draws on credit enhancement reflecting financial difficulties.

8. substitution of the credit or liquidity providers or their failure to perform.

9. bankruptcy, insolvency, receivership or similar event (within the meaning of the Rule) of the District. For the purposes of the event identified in this Section 5(a)(9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed

jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

(b) Pursuant to the provisions of this Section 5(b), the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. non-payment related defaults.

2. modifications to rights of Bondholders.

3. optional, contingent or unscheduled bond calls.

4. unless described under Section 5(a)(5) above, material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds.

5. release, substitution or sale of property securing repayment of the Bonds.

6. the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.

7. Appointment of a successor or additional trustee or paying agent with respect to the Bonds or the change of name of such a trustee or paying agent.

(c) Whenever the District obtains knowledge of the occurrence of a Listed Event under Section 5(b) hereof, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) hereof would be material under applicable federal securities laws, the District shall (i) file a notice of such occurrence with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event or (ii) provide notice of such reportable event to the Dissemination Agent in format suitable for filing with the Repository in a timely manner not in excess of 10 business days after the occurrence of the event. The Dissemination Agent shall have no duty to independently prepare or file any report of Listed Events. The Dissemination Agent may conclusively rely on the District's determination of materiality pursuant to Section 5(c).

SECTION 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(a) or Section 5(b), as applicable.

SECTION 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent (or substitute Dissemination Agent) to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign upon 15 days written notice to the District. Upon such resignation, the District shall act as its own Dissemination Agent until it appoints a successor. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate and shall not be responsible to verify the accuracy, completeness or materiality of any continuing disclosure information provided by the District. The District shall compensate the Dissemination Agent for its fees and expenses hereunder as agreed by the parties. Any entity succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the execution or filing of any paper or further act.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances;

(c) The amendment or waiver does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners of the Bonds; and

(d) No duties of the Dissemination Agent hereunder shall be amended without its written consent thereto.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(b), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure

Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

SECTION 10. Default. In the event of a failure of the District to comply with any provision of this Disclosure Certificate any Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolution, and the sole remedy under this Disclosure Certificate in the event of any failure of the District to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent acts hereunder solely for the benefit of the District; this Disclosure Certificate shall confer no duties on the Dissemination Agent to the Participating Underwriter, the Holders and the Beneficial Owners. The District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds. The Dissemination Agent shall have no liability for the failure to report any event or any financial information as to which the District has not provided an information report in format suitable for filing with the Repository. The Dissemination Agent shall not be required to monitor or enforce the District's duty to comply with its continuing disclosure requirements hereunder.

SECTION 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Dissemination Agent, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: June 4, 2015

BELMONT-REDWOOD SHORES SCHOOL DISTRICT

By____________________________________

Chief Business Official

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: BELMONT-REDWOOD SHORES SCHOOL DISTRICT

Name of Bond Issue: Election of 2014 General Obligation Bonds Series A
2015 General Obligation Refunding Bonds, Series A
2015 General Obligation Refunding Bonds, Series B

Date of Issuance: June 4, 2015

NOTICE IS HEREBY GIVEN that the District has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Certificate relating to the Bonds. The District anticipates that the Annual Report will be filed by _____________.

Dated:_______________________

BELMONT-REDWOOD SHORES SCHOOL DISTRICT

By ______[form only; no signature required]_________

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APPENDIX D

GENERAL ECONOMIC AND DEMOGRAPHIC INFORMATION FOR THE CITY OF BELMONT AND SAN MATEO COUNTY

The following material is descriptive of the City of Belmont (the "City") and San Mateo County (the "County"). The following information concerning the City and the County is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the County. This material has been prepared by or excerpted from the sources as noted herein and has not been reviewed for accuracy by the District or Bond Counsel.

General

The City of Belmont. The City is located in San Mateo County, in between San Francisco and San Jose. The City has a total area of 4.6 square miles, 0.19% of which is water. The City is comprised of residential homes, wooded hills, views of the San Francisco Bay and stretches of open space preserves. The City operates under council form of government, with five elected council members. It was incorporated in 1926.

San Mateo County. The County has 20 incorporated cities. It is the 14th most populous county in the State of California (the "State"). The County encompasses an area comprising 455 square miles of land and 292 square miles of water. It covers the majority of the San Francisco Peninsula and the Santa Cruz Mountains run through its entire length. The County borders San Francisco County to the north and Silicon Valley and Santa Cruz Counties to the south. The Pacific Ocean lies to the west and the San Francisco Bay to the east. The County is governed by a five member Board of Supervisors, each representing one of five geographic districts. The County was founded in 1856.

Population

The following table below shows historical population figures for the City, the County and the State from 2000 through 2014.

POPULATION ESTIMATES
City of Belmont, San Mateo County and State of California
2000 through 2014

	City of Belmont		San Mateo County		State of California	
Year[1]	Population	% Change	Population	% Change	Population	% Change
2000[2]	25,123	--	707,163	--	33,873,086	--
2001	25,106	(0.1)%	707,965	0.1%	34,256,789	1.1%
2002	24,950	(0.6)	706,213	(0.2)	34,725,516	1.4
2003	25,071	0.5	704,014	(0.3)	35,163,609	1.3
2004	25,001	(0.3)	702,254	(0.2)	35,570,847	1.2
2005	24,973	(0.1)	700,350	(0.3)	35,869,173	0.8
2006	25,122	0.6	699,347	(0.1)	36,116,202	0.7
2007	25,189	0.3	701,838	0.4	36,399,676	0.8
2008	25,427	0.9	707,820	0.9	36,704,375	0.8
2009	25,634	0.8	713,818	0.8	36,966,713	0.7
2010[2]	25,835	0.8	718,451	0.6	37,253,956	0.8
2011	25,923	0.3	722,372	0.5	37,427,946	0.5
2012	26,058	0.5	727,793	0.8	37,668,804	0.6
2013	26,344	1.1	736,647	1.2	37,984,138	0.8
2014	26,559	0.8	745,193	1.2	38,340,074	0.9

(1) January 1 data.
(2) April 1 data.
Source: California Department of Finance.

Income

The following table shows per capita personal income for the County, the State and the United States from 2004 through 2013.

PER CAPITA PERSONAL INCOME[1]
San Mateo County, State of California and the United States
2004 through 2013

Year	San Mateo County	State of California	United States
2004	$58,168	$37,156	$34,300
2005	62,363	38,964	35,888
2006	68,366	41,623	38,127
2007	71,910	43,152	39,804
2008	69,416	43,608	40,873
2009	64,994	41,587	39,379
2010	65,953	42,282	40,144
2011	71,051	44,749	42,332
2012	79,420	47,505	44,200
2013	79,839	48,434	44,765

(1) Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).
Source: U.S. Department of Commerce, Bureau of Economic Analysis..

Employment

The following table summarizes the labor force, employment and unemployment figures for the City, the County and the State from 2010 through 2014.

CIVILIAN LABOR FORCE, EMPLOYMENT, UNEMPLOYMENT AND UNEMPLOYMENT RATE
City of Belmont, San Mateo County and State of California
2010 through 2014(1)

Year and Area	Labor Force	Employment(2)	Unemployment(3)	Unemployment Rate (%)
2010				
City of Belmont	14,500	14,500	1,100	7.5%
San Mateo County	377,800	344,900	32,900	8.7
State of California	18,336,300	16,068,400	2,267,900	12.4
2011				
City of Belmont	14,800	13,800	1,000	6.7%
San Mateo County	385,300	355,000	30,300	7.9
State of California	18,417,900	16,249,600	2,168,300	11.8
2012				
City of Belmont	15,300	13,400	900	5.7%
San Mateo County	397,500	371,000	26,500	6.7
State of California	18,519,000	16,589,700	1,929,300	10.4
2013				
City of Belmont	41,300	39,200	2,100	5.0%
San Mateo County	783,100	725,000	58,000	7.4
State of California	18,596,800	16,933,300	1,663,500	8.9
2014				
City of Belmont	16,000	15,400	600	3.7%
San Mateo County	431,300	413,200	18,100	4.2
State of California	18,811,500	17,397,140	1,430,973	8.9

Note: Data is not seasonally adjusted.
(1) Annual averages, unless otherwise specified.
(2) Includes persons involved in labor-management trade disputes.
(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.
Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2014 Benchmark.

Industry

The following table summarizes the average annual industry employment in the County from 2009 through 2013.

LABOR FORCE AND INDUSTRY EMPLOYMENT ANNUAL AVERAGES
San Mateo County
2009 through 2013

Type of Employment	2009	2010	2011	2012	2013
Farm	1,700	1,700	1,600	1,600	1,600
Mining, Logging and Construction	13,800	12,900	14,200	15,200	16,700
Manufacturing	26,700	26,300	25,500	24,400	25,700
Transportation, Warehousing and Utilities	69,900	68,400	68,500	70,200	72,400
Wholesale Trade	11,300	11,200	11,100	11,500	11,200
Retail Trade	33,300	32,800	33,200	33,200	34,100
Information	18,100	17,500	17,900	20,900	23,600
Financial Activities	19,100	18,600	19,400	20,000	20,200
Professional and Business Services	60,900	60,000	64,000	69,500	71,000
Educational and Health Services	36,700	35,300	36,400	37,400	39,700
Leisure and Hospitality	33,500	33,800	35,400	36,800	39,500
Other Services	11,500	11,200	12,200	12,900	13,300
Government	31,300	31,300	30,600	30,300	30,400
Total All Industries	323,000	317,000	325,500	339,100	354,100

Note: Items may not add to total due to independent rounding.
Source: California Employment Development Department, Labor Market Information Division. March 2014 Benchmark.

Principal Employers

The following tables list the principal employers located in the City and the County.

PRINCIPAL EMPLOYERS[1]
City of Belmont
As of June 30, 2014

Employer Name	Range Number of Employees
Oracle America, Inc.	565
Cengage Learning, Inc.	338
Safeway Store	306
Sunedison	150
Nikon Precision Inc.	139
Autobahn Motors	120
Carlmont Gardens Nursing Center	98
James Electronics, Ltd.	84
Silverado Sr Living Belmont Hills	73
Lunardi's Market	73

(1) Data not available for ranking or total employment.
Source: "Comprehensive Annual Financial Report" of the City of Belmont, California for the fiscal year July 1, 2013 through June 30, 2014.

PRINCIPAL EMPLOYERS
San Mateo County
As of June 30, 2014

Employer Name	Employees	% of Total County Employment
County of San Mateo Medical Center	1,241	2.33%
San Mateo-Foster City Unified	1,164	2.18
Franklin Templeton Investor	1,120	2.10
San Mateo Community College District	1,072	2.01
City of San Mateo	949	1.78
San Mateo Union High School District	945	1.77
Fisher Investments	494	0.93
San Mateo County Behavioral Health	475	0.89
Mills Peninsula Health Services	458	0.86
Macy's Department Stores	351	0.66

Source: "Comprehensive Annual Financial Report" of San Mateo County, California for the fiscal year July 1, 2013 through June 30, 2014.

Commercial Activity

Summaries of annual taxable sales for the City and the County from 2009 through 2013 are shown in the following tables.

ANNUAL TAXABLE SALES
City of Belmont
2009 through 2013
(In Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2009	355	$153,099	624	$225,073
2010	359	165,027	613	227,585
2011	357	174,554	616	241,659
2012	349	185,544	599	249,154
2013	347	194,810	589	255,633

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

ANNUAL TAXABLE SALES
San Mateo County
2009 through 2013
(In Thousands)

Year	Retail Permits	Retail Stores Taxable Transactions	Total Permits	Total Outlets Taxable Transactions
2009	11,143	$7,455,767	18,840	$11,327,022
2010	11,340	7,846,274	18,979	11,966,338
2011	11,470	8,536,043	18,995	13,020,643
2012	11,748	9,277,144	19,189	13,906,978
2013	12,438	9,935,641	19,808	14,611,618

Note: In 2009, retail permits expanded to include permits for food services.
Source: "Taxable Sales in California (Sales & Use Tax)," California State Board of Equalization.

Building Activity

The annual building permit valuations and number of permits for new dwelling units issued from 2009 through 2013 for the City and the County are shown in the following tables.

BUILDING PERMITS AND VALUATIONS
City of Belmont
2009 through 2013
(Dollars in Thousands)

	2009	2010	2011	2012	2013
Valuation ($000's)					
Residential	$12,652	$11,487	$1,755	$14,971	$14,299
Non-Residential	6,076	4,481	22,642	2,126	6,655
Total	$18,728	$15,968	$24,397	$17,097	$20,954
Units					
Single Family	1	2	3	2	7
Multiple Family	3	0	0	0	0
Total	4	2	3	2	7

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMITS AND VALUATIONS
San Mateo County
2009 through 2013
(Dollars in Thousands)

	2009	2010	2011	2012	2013
Valuation ($000's)					
Residential	$426,327	$473,198	$557,810	$618,097	$743,743
Non-Residential	328,726	412,538	335,524	244,055	494,658
Total	$755,053	$885,736	$893,334	$862,152	$1,238,401
Units					
Single Family	236	216	213	264	350
Multiple Family	393	111	545	671	840
Total	629	327	758	935	1,190

Note: Totals may not add to sum due to rounding.
Source: Construction Industry Research Board.

APPENDIX E

SAN MATEO COUNTY INVESTMENT POOL

The following information concerning the San Mateo County (the "County") Investment Pool (the "Investment Pool") has been provided by the Treasurer-Tax Collector of the County (the "Treasurer"), and has not been confirmed or verified by the District, the Financial Advisor or the Underwriters. The District, the Financial Advisor and the Underwriters have not made an independent investigation of the investments in the Investment Pool and have made no assessment of the current County investment policy. The value of the various investments in the Investment Pool will fluctuate on a daily basis as a result of a multitude of factors, including generally prevailing interest rates and other economic conditions. Additionally, the Treasurer, 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 Investment Pool will not vary significantly from the values described herein. Finally, neither the District, the Financial Advisor nor the Underwriters make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date hereof, or that the information contained or incorporated hereby by reference is correct as of any time subsequent to its date. Additional information regarding the Investment Pool may be obtained from the Treasurer at http://www.sanmateocountytaxcollector.org/; however, the information presented on such website is not incorporated herein by any reference.

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Sandie Arnott
TREASURER- TAX COLLECTOR
TREASURER - TAX COLLECTOR - REVENUE SERVICES

Charles M. Tovstein
ASSISTANT TREASURER

Robin N. Elliott
ASSISTANT TAX COLLECTOR

DATE: May 11, 2015

TO: San Mateo County Pool Participants

FROM: Sandie Arnott, Treasurer-Tax Collector

SUBJECT: April, 2015 - Monthly Investment Reports

Gross earnings for the month ending April 30, 2015 were .65% The current average maturity of the portfolio is 1.57 years with an average duration of 1.53 years. The current par value of the pool is $4.352 Billion. The largest non-government aggregate positions currently is Union Bank MUFG and Wells Fargo & Co. at 2.87%. The portfolio continues to hold no derivative products.

The San Mateo County Pool complies with Government Code Section 53646, which requires the ability to meet its expenditure requirements for the next six months.

I certify, and our investment advisor, PFM Asset Management, confirms these reports are in compliance with the investment policy dated Calendar Year 2015. Please visit our website if you wish to review PFM's monthly compliance report: **http://www.sanmateocountytreasurer.org/PFMReports.html**

If you have any questions regarding any of these reports, please call Charles Tovstein or me at (650) 363 – 4470.

Best regards,

Sandie Arnott
Treasurer-Tax Collector

San Mateo County Portfolio

May 11, 2015

Table of Contents

COUNTY OF SAN MATEO
ESTIMATED SUMMARY OF POOL EARNINGS
APRIL 2015

	Par Value	Gross Earnings
Fixed Income Securities Maturing > 1 year		
U S Treasury Notes	$625,000,000	$327,195.01
U S Treasury Notes-Floater	$20,000,000	$204.47
Federal Agencies	932,392,857.00	556,604.55
Corporate Notes	414,500,000.00	407,327.05
Floating Rate Securities	303,000,000.00	104,261.58
	$2,294,892,857	**$1,395,592.66**
Short Term Securities Maturing < 1 year		
Federal Agencies	1,187,622,000	175,721.53
Corporate Notes	167,000,000	115,650.17
Floating Rate Securities	138,750,000	54,129.92
LAIF	50,000,000	8,219.18
Commercial Paper	200,000,000	31,062.50
Certificate of Deposit	25,000,000	4,726.03
U S Treasury Bills	14,000,000	729.17
Repurchase Agreements	275,250,000	764.58
	$2,057,622,000	**$391,003.08**
Total Accrued Interest	**$4,352,514,857**	**$1,786,595.74**
Realized Gain/Loss & Interest Received		
U S Treasury Notes		$298,243.83
Federal Agencies		117,124.45
Corporate Notes		63,900.72
Floating Rate Securities		33,913.23
LAIF		7,411.16
Repurchase Agreements		31,290.76
Total Realized Income		**$551,884.15**
TOTAL DOLLAR EARNINGS		**$2,338,479.89**

AVERAGE BALANCE		**$4,374,412,821.76**
GROSS EARNINGS RATE / GROSS DOLLAR EARNINGS	**0.650%**	**$2,338,479.89**
ADMINISTRATION FEES		**($413,471.90)**
NET EARNINGS RATE / NET DOLLAR EARNINGS	**0.535%**	**$1,925,007.99**

MERRILL LYNCH TAXABLE BOND INDEX vs.
SAN MATEO COUNTY POOL

CHARACTERISTICS

INDEX	4/30/15	POOL
2.25	AVERAGE MATURITY (yrs)	1.57
2.15	DURATION (yrs)	1.53
.77	YIELD TO MATURITY (%)	.57

TIME WEIGHTED/TOTAL RETURN

0.036	1 MONTH (%)	.02
-0.030	3 MONTHS (%)	0.13
0.860	6 MONTHS (%)	0.60
1.504	1 YEAR (%)	1.05

SYNTHETIC BENCHMARK

ALLOCATION OF INDEX

30%	0-1 year U.S. Government
20%	1-2.99 year U.S. Government
20%	3-5 year U.S. Government
10%	1-10 year U.S. Government
20%	1-5 year Corporate Bonds

*** THE MEASURE THAT CAN BE USED TO ASSESS THE PERFORMANCE OF A PORTFOLIO OVER SOME INVESTMENT HORIZON IS THE TOTAL RETURN. TOTAL RETURN IS THE SUM OF PRINCIPAL AND INTEREST PAYMENTS AS WELL AS ANY REINVESTMENT INCOME RECEIVED OVER A HOLDING PERIOD PLUS ANY CAPITAL GAIN OR LOSS.

SAN MATEO COUNTY INVESTMENT POOL
vs
LOCAL AGENCY INVESTMENT FUND

EARNINGS RATES
ending 4/30/15

POOL		LAIF
0.650%	1 MONTH	0.283%
0.834%	3 MONTHS	0.276%
0.855%	6 MONTHS	0.270%
0.813%	1 YEAR	0.257%

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

April 30, 2015

Summary Information

Totals	
Par Value	4,352,514,857
Market Value	4,361,396,594.71
Total Cost	4,350,965,074.21
Net Gain/Loss	10,431,520.49
Annual Income	27,343,257.26
Accrued Interest	5,123,625.01
Number of Issues	223

Weighted Averages	
Average YTM	0.57
Average Maturity (yrs)	1.57
Average Coupon (%)	0.63
Average Duration	1.53
Average Moody Rating	Aa1/P-1
Average S&P Rating	AA/A-1

Distribution by Maturity

Maturity	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	100	2,079,301,078.36	47.7	0.2	0.224 %	0.3
1 Yr - 3 Yrs	95	1,593,479,779.26	36.5	0.8	0.829 %	2.1
3 Yrs - 5 Yrs	27	678,608,223.76	15.6	1.3	1.390 %	4.0
5 Yrs - 7 Yrs	1	10,007,513.33	0.2	1.6	1.500 %	4.9

Distribution by Coupon

Coupon %	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1%	150	3,067,395,476.73	70.3	0.3	0.317 %	0.9
1% - 3%	72	1,283,846,185.76	29.4	1.2	1.357 %	3.1
3% - 5%	1	10,154,932.22	0.2	0.4	3.200 %	0.1

Distribution by Duration

Duration	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Under 1 Yr	100	2,079,301,078.36	47.7	0.2	0.224 %	0.3
1 Yr - 3 Yrs	100	1,679,674,542.87	38.5	0.8	0.828 %	2.1
3 Yrs - 5 Yrs	23	602,420,973.48	13.8	1.4	1.474 %	4.2

SAN MATEO COUNTY TREASURER'S OFFICE

FIXED INCOME DISTRIBUTION - SETTLED TRADES

SAN MATEO COUNTY POOL

April 30, 2015

Distribution by Moody Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
Aaa	144	3,157,052,143.54	72.4	0.6	0.583 %	1.6
Aa1	12	217,851,949.86	5.0	0.6	0.748 %	2.0
Aa2	12	163,714,338.33	3.8	0.7	0.932 %	1.7
Aa3	24	275,249,626.31	6.3	0.8	1.047 %	1.8
A1	11	132,055,244.22	3.0	0.6	1.058 %	1.6
A2	9	115,523,132.44	2.6	0.9	1.177 %	1.8
P-1	10	249,944,326.67	5.7	0.2	0.050 %	0.2
Not Rated	1	50,005,833.33	1.1	0.3	0.280 %	0.0

Distribution by S&P Rating

Rating	Number	Mkt Value	% Bond Holdings	Average Y T M	Average Coupon	Average Duration
AAA	10	133,602,683.22	3.1	0.6	1.021 %	1.5
AA+	145	3,164,298,503.59	72.6	0.6	0.576 %	1.6
AA	10	105,687,319.83	2.4	0.7	0.995 %	2.2
AA-	26	337,893,982.80	7.7	0.8	1.059 %	2.1
A+	18	294,916,172.66	6.8	0.7	0.941 %	1.5
A	3	25,047,772.61	0.6	0.7	0.788 %	1.7
A-1+	2	49,981,090.00	1.1	0.2	0.000 %	0.2
A-1	8	199,963,236.67	4.6	0.2	0.063 %	0.2
Not Rated	1	50,005,833.33	1.1	0.3	0.280 %	0.0

** MARKET VALUE ON THE FIXED INCOME DISTRIBUTION REPORT INCLUDES ANY ACCRUED INTEREST THAT A SECURITY HAS EARNED. TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MONTHLY TRANSACTION SUMMARY REPORT IS AVAILABLE UPON REQUEST.

SAN MATEO COUNTY TREASURER'S OFFICE
PORTFOLIO APPRAISAL
SAN MATEO COUNTY POOL
April 30, 2015

Security	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
CERTIFICATE OF DEPOSIT											
WELLS FARGO & COMPANY 0.230% Due 06-03-15			25,000,000	100.00	25,000,000.00	100.00	25,000,000.00	23,479.17	25,023,479.17	A-1	0.57
WELLS FARGO & CO. 0.270% Due 10-07-15			25,000,000	100.00	25,000,000.00	100.00	25,000,000.00	4,312.50	25,004,312.50	A-1	0.57
			50,000,000		50,000,000.00		50,000,000.00	27,791.67	50,027,791.67		1.15
COMMERCIAL PAPER											
MUFG UNION BANK NA 0.000% Due 05-15-15			25,000,000	99.95	24,988,375.00	99.99	24,998,125.00	0.00	24,998,125.00	A-1	0.57
MUFG UNION BANK NA 0.000% Due 06-12-15			25,000,000	99.90	24,974,000.00	99.97	24,992,832.50	0.00	24,992,832.50	A-1	0.57
TOYOTA MOTOR CREDIT CORPORATION 0.000% Due 06-12-15			25,000,000	99.92	24,981,250.00	99.98	24,994,027.50	0.00	24,994,027.50	A-1+	0.57
MUFG UNION BANK NA 0.000% Due 06-26-15			25,000,000	99.90	24,974,000.00	99.96	24,990,500.00	0.00	24,990,500.00	A-1	0.57
MUFG UNION BANK NA 0.000% Due 07-08-15			25,000,000	99.89	24,972,013.89	99.95	24,987,542.50	0.00	24,987,542.50	A-1	0.57
TOYOTA MOTOR CREDIT CORPORATION 0.000% Due 07-20-15			25,000,000	99.89	24,973,326.39	99.95	24,987,062.50	0.00	24,987,062.50	A-1+	0.57
MUFG UNION BANK NA 0.000% Due 07-24-15			25,000,000	99.95	24,987,083.33	99.95	24,988,195.00	0.00	24,988,195.00	A-1	0.57
BNP PARIBAS NY BRANCH 0.000% Due 08-24-15			25,000,000	99.91	24,976,750.00	99.91	24,978,250.00	0.00	24,978,250.00	A-1	0.57
			200,000,000		199,826,798.61		199,916,535.00	0.00	199,916,535.00		4.59
LOCAL AGENCY INVESTMENT FUND											
LAIF 0.280% Due 05-04-15			50,000,000	100.00	50,000,000.00	100.00	50,000,000.00	5,833.33	50,005,833.33		1.15
REPURCHASE AGREEMENTS											
REPURCHASE AGREEMENT(U.S. TREAS NTS COLLAT) 0.100% Due 05-01-15			275,250,000	100.00	275,250,000.00	100.00	275,250,000.00	0.00	275,250,000.00	AA+	6.32
UNITED STATES TREASURY-BILLS											
UNITED STATES TREAS BILL 0.000% Due 08-20-15			14,000,000	99.97	13,995,552.08	99.98	13,997,278.40	0.00	13,997,278.40	AA+	0.32
UNITED STATES TREASURY-NOTES											
UNITED STATES TREAS NTS 0.875% Due 11-30-16			25,000,000	99.57	24,892,578.12	100.62	25,156,250.00	90,745.19	25,246,995.19	AA+	0.58

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UNITED STATES TREAS NTS 0.625% Due 09-30-17			50,000,000	98.72	49,361,328.13	99.70	49,847,650.00	25,614.75	49,873,264.75	AA+	1.14
UNITED STATES TREAS NTS 0.625% Due 04-30-18			150,000,000	99.14	148,714,843.75	99.09	148,640,700.00	0.00	148,640,700.00	AA+	3.41
UNITED STATES TREAS NTS 1.000% Due 05-31-18			50,000,000	99.62	49,812,500.00	100.11	50,054,700.00	208,563.54	50,263,263.54	AA+	1.15
UNITED STATES TREAS NTS 1.250% Due 10-31-18			50,000,000	99.60	49,800,781.25	100.50	50,250,000.00	0.00	50,250,000.00	AA+	1.15
UNITED STATES TREAS NTS 1.625% Due 12-31-19			50,000,000	101.61	50,803,284.70	101.02	50,507,800.00	273,090.28	50,780,890.28	AA+	1.16
UNITED STATES TREAS NTS 1.375% Due 02-29-20			50,000,000	99.65	49,826,426.63	99.77	49,882,800.00	113,960.60	49,996,760.60	AA+	1.15
UNITED STATES TREAS NTS 1.375% Due 03-31-20			150,000,000	100.19	150,281,271.35	99.68	149,519,550.00	173,743.21	149,693,293.21	AA+	3.43
UNITED STATES TREAS NTS 1.375% Due 04-30-20			50,000,000	99.60	49,800,781.25	99.67	49,835,950.00	0.00	49,835,950.00	AA+	1.14
			625,000,000		623,293,795.18		623,695,400.00	885,717.56	624,581,117.56		14.32
UNITED STATES TREASURY-FLOATING RATES											
UNITED STATES TREAS FLOATING RATE NOTE 0.065% Due 01-31-16			20,000,000	99.98	19,995,958.00	99.99	19,998,860.00	0.00	19,998,860.00	AA+	0.46
FEDERAL AGENCY - FLOATING RATE SECURITIES											
FEDERAL FARM CREDIT BANK 0.236% Due 02-27-17			20,000,000	100.00	20,000,000.00	100.09	20,017,180.00	393.75	20,017,573.75	AA+	0.46
FEDERAL AGENCY SECURITIES											
FEDERAL HOME LOAN BANK - DISCOUNT NOTE 0.000% Due 05-01-15			10,000,000	99.95	9,995,451.11	100.00	9,999,974.00	0.00	9,999,974.00	AAA	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-01-15			4,000,000	99.96	3,998,233.33	100.00	3,999,991.60	0.00	3,999,991.60	AA+	0.09
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-01-15			25,000,000	99.96	24,990,666.67	100.00	24,999,952.50	0.00	24,999,952.50	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-01-15			25,000,000	99.96	24,990,000.00	100.00	24,999,947.50	0.00	24,999,947.50	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-01-15			4,300,000	99.96	4,298,222.67	100.00	4,299,990.54	0.00	4,299,990.54	AA+	0.10

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FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-01-15			18,700,000	99.96	18,692,140.81	100.00	18,699,955.12	0.00	18,699,955.12	AA+	0.43
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 05-08-15			12,600,000	99.95	12,594,225.00	100.00	12,599,692.56	0.00	12,599,692.56	AA+	0.29
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 05-11-15			22,000,000	99.97	21,993,620.00	100.00	21,999,395.00	0.00	21,999,395.00	AA+	0.51
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 05-13-15			2,200,000	99.98	2,199,592.08	100.00	2,199,940.38	0.00	2,199,940.38	AA+	0.05
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 05-13-15			18,000,000	99.98	17,997,025.00	100.00	17,999,544.60	0.00	17,999,544.60	AA+	0.41
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 05-13-15			2,900,000	99.95	2,898,511.33	100.00	2,899,890.09	0.00	2,899,890.09	AA+	0.07
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 05-15-15			25,000,000	99.95	24,988,552.08	100.00	24,998,905.00	0.00	24,998,905.00	AA+	0.57
FEDERAL HOME LOAN BANK - DISCOUNT NOTE 0.000% Due 05-20-15			14,300,000	99.94	14,291,956.25	99.99	14,299,007.58	0.00	14,299,007.58	AAA	0.33
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 05-27-15			10,000,000	99.98	9,997,958.33	99.99	9,999,475.00	0.00	9,999,475.00	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.500% Due 05-27-15			2,620,000	100.25	2,626,550.00	100.01	2,620,251.52	5,567.50	2,625,819.02	AA+	0.06
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 05-29-15			15,000,000	99.99	14,998,425.00	100.00	14,999,275.50	0.00	14,999,275.50	AA+	0.34
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 06-03-15			17,100,000	99.99	17,098,104.75	99.99	17,098,869.69	0.00	17,098,869.69	AA+	0.39
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 06-17-15			20,000,000	99.99	19,997,255.56	99.99	19,998,266.00	0.00	19,998,266.00	AA+	0.46
FEDERAL FARM CREDIT BANK 0.500% Due 06-23-15			26,000,000	99.69	25,919,920.00	100.06	26,014,820.00	45,861.11	26,060,681.11	AA+	0.60

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FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 06-26-15			28,200,000	99.98	28,195,229.50	99.99	28,196,875.44	0.00	28,196,875.44	AA+	0.65
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 07-01-15			50,000,000	99.98	49,991,041.67	99.99	49,993,540.00	0.00	49,993,540.00	AA+	1.15
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 07-01-15			25,000,000	99.95	24,988,309.03	99.99	24,997,202.50	0.00	24,997,202.50	AA+	0.57
FEDERAL NATIONAL MORTGAGE DISCOUNT NT 0.000% Due 07-08-15			25,000,000	99.93	24,983,031.25	99.97	24,993,532.50	0.00	24,993,532.50	AA+	0.57
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 07-15-15			25,000,000	99.96	24,988,923.61	99.98	24,994,195.00	0.00	24,994,195.00	AA+	0.57
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 07-24-15			12,040,000	99.94	12,032,323.01	99.97	12,036,589.07	0.00	12,036,589.07	AA+	0.28
FEDERAL NATIONAL MORTGAGE ASSOCIATION 2.375% Due 07-28-15			10,000,000	101.68	10,168,000.00	100.55	10,054,930.00	60,694.44	10,115,624.44	AAA	0.23
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 07-29-15			26,001,000	99.93	25,983,911.57	99.97	25,992,549.67	0.00	25,992,549.67	AA+	0.60
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 07-29-15			4,000,000	99.94	3,997,500.00	99.97	3,998,750.00	0.00	3,998,750.00	AA+	0.09
FEDERAL NATIONAL MORTGAGE DISCOUNT NT 0.000% Due 08-07-15			4,400,000	99.94	4,397,418.06	99.97	4,398,487.72	0.00	4,398,487.72	AA+	0.10
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-10-15			25,000,000	99.96	24,990,902.78	99.97	24,992,917.50	0.00	24,992,917.50	AA+	0.57
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-14-15			25,000,000	99.96	24,990,694.44	99.97	24,992,640.00	0.00	24,992,640.00	AA+	0.57
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-19-15			25,000,000	99.97	24,991,625.00	99.97	24,993,062.50	0.00	24,993,062.50	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 08-19-15			14,000,000	99.94	13,991,905.28	99.96	13,995,035.60	0.00	13,995,035.60	AA+	0.32

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FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-21-15			25,000,000	99.94	24,985,944.44	99.96	24,990,975.00	0.00	24,990,975.00	AA+	0.57
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-21-15			25,000,000	99.96	24,989,152.78	99.97	24,991,367.50	0.00	24,991,367.50	AA+	0.57
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-21-15			25,000,000	99.96	24,989,229.17	99.97	24,991,367.50	0.00	24,991,367.50	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 08-21-15			11,000,000	99.95	10,994,991.94	99.97	10,996,201.70	0.00	10,996,201.70	AA+	0.25
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-25-15			25,000,000	99.96	24,990,697.92	99.97	24,992,282.50	0.00	24,992,282.50	AA+	0.57
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 08-25-15			17,000,000	99.96	16,993,719.44	99.97	16,994,750.40	0.00	16,994,750.40	AA+	0.39
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 08-26-15			16,000,000	99.93	15,989,140.00	99.96	15,992,920.00	0.00	15,992,920.00	AA+	0.37
FEDERAL HOME LOAN BANK 0.375% Due 08-28-15			15,000,000	100.00	14,999,400.00	100.09	15,013,680.00	9,687.50	15,023,367.50	AA+	0.34
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 08-31-15			7,561,000	99.94	7,556,507.51	99.96	7,558,029.28	0.00	7,558,029.28	AA+	0.17
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 09-02-15			40,000,000	99.94	39,976,744.44	99.95	39,981,944.00	0.00	39,981,944.00	AA+	0.92
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 09-02-15			7,500,000	99.94	7,495,187.50	99.95	7,496,094.00	0.00	7,496,094.00	AA+	0.17
FEDERAL MORTGAGE CORPORATION DN 0.000% Due 09-03-15			25,000,000	99.96	24,989,062.50	99.96	24,990,812.50	0.00	24,990,812.50	AA+	0.57
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 09-09-15			7,200,000	99.95	7,196,275.00	99.95	7,196,700.24	0.00	7,196,700.24	AA+	0.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 09-18-15			13,000,000	99.94	12,991,925.56	99.95	12,993,380.40	0.00	12,993,380.40	AA+	0.30

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FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 09-18-15			10,000,000	99.97	9,997,020.83	99.97	9,997,062.00	0.00	9,997,062.00	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 09-23-15			20,000,000	99.93	19,986,123.33	99.94	19,988,792.00	0.00	19,988,792.00	AA+	0.46
FEDERAL HOME LOAN MORTGAGE CORPORATION 0.500% Due 09-25-15			55,000,000	100.12	55,067,800.00	100.19	55,102,355.00	26,736.11	55,129,091.11	AA+	1.26
FEDERAL HOME LOAN BANK 0.200% Due 09-29-15			10,000,000	99.98	9,997,800.00	100.03	10,003,500.00	1,722.22	10,005,222.22	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION DISCOUNT 0.000% Due 10-07-15			27,000,000	99.93	26,981,415.00	99.94	26,983,200.60	0.00	26,983,200.60	AA+	0.62
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 10-09-15			23,000,000	99.93	22,982,845.83	99.93	22,984,475.00	0.00	22,984,475.00	AA+	0.53
FEDERAL HOME LOAN BANK-DISCOUNT NOTE 0.000% Due 10-14-15			20,000,000	99.92	19,984,327.78	99.93	19,985,620.00	0.00	19,985,620.00	AA+	0.46
FEDERAL HOME LOAN BANK 0.500% Due 11-20-15			15,000,000	99.97	14,995,200.00	100.19	15,027,930.00	33,333.33	15,061,263.33	AA+	0.34
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 0.270% Due 12-09-15	05-14-15	100.00	25,000,000	100.00	25,000,000.00	99.95	24,987,500.00	31,125.00	25,018,625.00	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375% Due 12-21-15			25,000,000	99.77	24,941,750.00	100.11	25,027,450.00	33,593.75	25,061,043.75	AA+	0.57
FEDERAL HOME LOAN BANK-1 0.375% Due 12-30-15			30,000,000	100.00	30,000,000.00	100.07	30,022,350.00	37,500.00	30,059,850.00	AA+	0.69
FEDERAL HOME LOAN BANK-1 0.300% Due 01-06-16	06-11-15	100.00	10,000,000	100.00	10,000,000.00	99.97	9,997,110.00	11,583.33	10,008,693.33	AA+	0.23
FEDERAL HOME LOAN BANK 0.375% Due 02-19-16			25,000,000	99.80	24,951,250.00	100.09	25,022,200.00	18,489.58	25,040,689.58	AA+	0.57
FEDERAL HOME LOAN BANK-B 0.300% Due 02-26-16	05-04-15	100.00	10,000,000	100.00	10,000,000.00	99.99	9,998,750.00	7,166.67	10,005,916.67	AA+	0.23
FEDERAL HOME LOAN BANK-1 0.400% Due 03-11-16	08-24-15	100.00	10,000,000	100.00	10,000,000.00	100.04	10,004,260.00	7,333.33	10,011,593.33	AA+	0.23
FEDERAL HOME LOAN BANK-1 0.400% Due 03-18-16	09-03-15	100.00	15,000,000	100.00	15,000,000.00	100.02	15,002,580.00	9,500.00	15,012,080.00	AA+	0.34
FEDERAL HOME LOAN BANK-B 0.400% Due 03-30-16	06-30-15	100.00	5,000,000	100.00	5,000,000.00	100.00	4,999,770.00	1,666.67	5,001,436.67	AA+	0.11

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FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.500% Due 03-30-16			20,000,000	99.89	19,977,200.00	100.19	20,037,660.00	8,333.33	20,045,993.33	AA+	0.46
FEDERAL HOME LOAN BANK 0.375% Due 06-24-16			35,000,000	99.82	34,938,050.00	100.00	35,000,910.00	113,020.83	35,113,930.83	AA+	0.80
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.375% Due 07-05-16			10,000,000	99.65	9,965,500.00	99.91	9,991,310.00	11,979.17	10,003,289.17	AA+	0.23
FEDERAL HOME LOAN BANK 0.500% Due 09-28-16			25,000,000	99.73	24,931,830.00	100.00	25,001,050.00	11,111.11	25,012,161.11	AA+	0.57
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.250% Due 09-28-16			10,000,000	99.82	9,981,800.00	101.04	10,104,400.00	11,111.11	10,115,511.11	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION 0.650% Due 09-29-16			30,000,000	100.00	30,000,000.00	100.20	30,058,860.00	16,791.67	30,075,651.67	AA+	0.69
FEDERAL HOME LOAN MORTGAGE CORP. 0.875% Due 10-14-16			10,000,000	99.98	9,998,500.00	100.56	10,055,880.00	3,888.89	10,059,768.89	AA+	0.23
FEDERAL HOME LOAN BANK-1 0.750% Due 10-28-16	10-28-15	100.00	10,000,000	100.00	10,000,000.00	99.98	9,997,870.00	416.67	9,998,286.67	AA+	0.23
FEDERAL FARM CREDIT BANK-A 0.540% Due 11-07-16	05-07-15	100.00	5,000,000	100.00	5,000,000.00	99.88	4,993,955.00	12,975.00	5,006,930.00	AA+	0.11
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 0.080% Due 11-21-16	05-21-15	100.00	10,000,000	100.00	10,000,000.00	100.00	9,999,670.00	3,555.56	10,003,225.56	AA+	0.23
FEDERAL HOME LOAN BANK 0.625% Due 11-23-16			35,000,000	99.96	34,986,000.00	100.11	35,037,485.00	95,399.31	35,132,884.31	AA+	0.80
FEDERAL HOME LOAN BANK-B 0.750% Due 11-28-16	05-28-15	100.00	7,142,857	100.00	7,142,857.14	100.05	7,146,100.00	22,619.05	7,168,719.04	AA+	0.16
FEDERAL HOME LOAN BANK 0.625% Due 12-28-16			20,000,000	99.71	19,942,800.00	100.12	20,023,640.00	42,361.11	20,066,001.11	AA+	0.46
FEDERAL HOME LOAN BANK-B 0.800% Due 12-30-16	06-30-15	100.00	10,000,000	99.90	9,990,000.00	100.03	10,003,120.00	26,666.67	10,029,786.67	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION 0.500% Due 01-27-17			15,000,000	99.82	14,973,750.00	99.82	14,972,520.00	57,708.33	15,030,228.33	AA+	0.34
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 0.700% Due 01-30-17	07-30-15	100.00	35,000,000	100.00	35,000,000.00	100.01	35,002,170.00	61,250.00	35,063,420.00	AA+	0.80
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 0.750% Due 02-13-17	08-13-15	100.00	10,000,000	100.00	10,000,000.00	100.01	10,001,490.00	16,041.67	10,017,531.67	AA+	0.23

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

April 30, 2015

Security	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
FEDERAL HOME LOAN MORTGAGE CORPORATION 0.875% Due 02-22-17			25,000,000	99.84	24,959,750.00	100.51	25,126,975.00	41,319.44	25,168,294.44	AA+	0.58
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 0.700% Due 02-24-17	02-24-16	100.00	5,000,000	100.00	5,000,000.00	99.98	4,998,780.00	6,416.67	5,005,196.67	AA+	0.11
FEDERAL HOME LOAN BANK-1 1.500% Due 02-28-17	08-28-15	100.00	5,000,000	101.12	5,056,050.00	100.34	5,016,910.00	12,916.67	5,029,826.67	AA+	0.12
FEDERAL HOME LOAN MORTGAGE CORPORATION 1.000% Due 03-08-17			15,000,000	100.00	15,000,600.00	100.63	15,094,980.00	9,166.67	15,104,146.67	AA+	0.35
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 0.920% Due 03-30-17	06-30-15	100.00	10,000,000	99.94	9,993,700.00	100.11	10,010,740.00	7,666.67	10,018,406.67	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 0.800% Due 04-14-17	04-14-16	100.00	15,000,000	100.00	15,000,000.00	100.02	15,003,705.00	5,333.33	15,009,038.33	AA+	0.34
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.750% Due 04-20-17			10,000,000	99.65	9,965,100.00	100.25	10,025,430.00	2,083.33	10,027,513.33	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 0.750% Due 04-28-17	10-28-15	100.00	20,000,000	100.00	20,000,000.00	99.98	19,996,120.00	833.33	19,996,953.33	AA+	0.46
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 0.800% Due 04-28-17	07-28-15	100.00	20,000,000	100.00	20,000,000.00	99.89	19,977,420.00	888.89	19,978,308.89	AA+	0.46
FEDERAL HOME LOAN BANK 0.875% Due 05-24-17			25,000,000	99.81	24,951,750.00	100.39	25,098,700.00	94,791.67	25,193,491.67	AA+	0.58
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 1.000% Due 06-16-17	06-16-15	100.00	20,000,000	100.00	20,000,000.00	100.10	20,019,380.00	74,444.44	20,093,824.44	AA+	0.46
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 1.000% Due 06-26-17	06-26-15	100.00	10,000,000	100.00	10,000,000.00	99.96	9,995,930.00	34,444.44	10,030,374.44	AA+	0.23
FEDERAL HOME LOAN BANK-B 1.050% Due 06-27-17	06-27-15	100.00	10,000,000	100.00	10,000,000.00	100.00	10,000,060.00	35,875.00	10,035,935.00	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION 1.000% Due 06-29-17			15,000,000	99.48	14,922,450.00	100.57	15,084,795.00	50,416.67	15,135,211.67	AA+	0.35
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 1.000% Due 06-30-17	06-30-15	100.00	10,000,000	100.00	10,000,000.00	100.14	10,013,580.00	33,333.33	10,046,913.33	AA+	0.23

SAN MATEO COUNTY TREASURER'S OFFICE
PORTFOLIO APPRAISAL
SAN MATEO COUNTY POOL
April 30, 2015

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FEDERAL HOME LOAN MORTGAGE CORPORATION-B 1.050% Due 06-30-17	06-30-15	100.00	7,500,000	100.00	7,500,000.00	100.13	7,509,502.50	26,250.00	7,535,752.50	AA+	0.17
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 1.000% Due 08-25-17	08-25-15	100.00	20,000,000	99.94	19,987,500.00	100.19	20,038,380.00	36,111.11	20,074,491.11	AA+	0.46
FEDERAL NATIONAL MORTGAGE ASSOCIATION-B 1.100% Due 08-28-17	05-28-15	100.00	4,750,000	100.27	4,763,062.50	100.06	4,752,926.00	8,998.61	4,761,924.61	AA+	0.11
FEDERAL HOME LOAN BANK-1 1.750% Due 09-18-17	03-18-16	100.00	25,000,000	101.43	25,357,750.00	101.19	25,296,425.00	51,041.67	25,347,466.67	AA+	0.58
FEDERAL HOME LOAN BANK-B 1.100% Due 09-19-17	06-19-15	100.00	10,000,000	100.00	10,000,000.00	100.11	10,010,900.00	12,527.78	10,023,427.78	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.000% Due 09-20-17			30,000,000	100.30	30,088,850.00	100.18	30,055,050.00	33,333.33	30,088,383.33	AA+	0.69
FEDERAL HOME LOAN MORTGAGE CORPORATION 1.000% Due 09-27-17			50,500,000	100.24	50,619,200.00	100.26	50,629,532.50	46,291.67	50,675,824.17	AA+	1.16
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.000% Due 09-27-17			30,000,000	99.64	29,892,900.00	100.54	30,160,590.00	27,500.00	30,188,090.00	AA+	0.69
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875% Due 10-26-17			12,000,000	99.99	11,999,400.00	100.20	12,023,544.00	1,166.67	12,024,710.67	AA+	0.28
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 1.000% Due 11-28-17	05-28-15	100.00	5,000,000	100.00	5,000,000.00	100.07	5,003,325.00	21,111.11	5,024,436.11	AA+	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875% Due 12-20-17			10,000,000	99.55	9,955,500.00	99.92	9,991,800.00	31,597.22	10,023,397.22	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875% Due 02-08-18			5,000,000	99.72	4,986,150.00	99.67	4,983,670.00	9,965.28	4,993,635.28	AA+	0.11
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 1.150% Due 02-13-18	08-13-15	100.00	10,000,000	100.00	10,000,000.00	100.18	10,018,060.00	24,597.22	10,042,657.22	AA+	0.23
FEDERAL HOME LOAN MORTGAGE CORPORATION-B 1.200% Due 03-20-18	06-20-15	100.00	5,000,000	100.00	5,000,000.00	100.15	5,007,335.00	6,666.67	5,014,001.67	AA+	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION-B 1.125% Due 03-28-18	06-28-15	100.00	2,500,000	100.00	2,500,000.00	99.91	2,497,785.00	2,500.00	2,500,285.00	AA+	0.06

SAN MATEO COUNTY TREASURER'S OFFICE
PORTFOLIO APPRAISAL
SAN MATEO COUNTY POOL
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FEDERAL NATIONAL MORTGAGE ASSOCIATION-1 1.050% Due 04-13-18	04-13-16	100.00	5,000,000	100.00	5,000,000.00	99.73	4,986,260.00	2,479.17	4,988,739.17	AA+	0.11
FEDERAL HOME LOAN BANK-1 1.100% Due 04-20-18			15,000,000	99.99	14,997,925.00	99.93	14,989,245.00	4,583.33	14,993,828.33	AA+	0.34
FEDERAL HOME LOAN BANK 1.125% Due 04-25-18			50,000,000	99.95	49,976,550.00	100.45	50,226,650.00	7,812.50	50,234,462.50	AA+	1.15
FEDERAL NATIONAL MORTGAGE ASSOCIATION-1 1.625% Due 04-26-18	04-26-16	100.00	20,000,000	100.99	20,197,225.56	100.94	20,188,200.00	3,611.11	20,191,811.11	AA+	0.46
FEDERAL NATIONAL MORTGAGE ASSOCIATION-B 1.000% Due 04-30-18	07-30-15	100.00	7,500,000	100.00	7,500,000.00	99.33	7,449,765.00	0.00	7,449,765.00	AA+	0.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION 0.875% Due 05-21-18			28,000,000	99.79	27,940,080.00	99.52	27,866,636.00	108,208.33	27,974,844.33	AA+	0.64
FEDERAL HOME LOAN MORTGAGE CORPORATION-1 1.200% Due 06-28-18	09-30-15	100.00	5,000,000	100.00	5,000,000.00	100.02	5,000,925.00	5,000.00	5,005,925.00	AA+	0.11
FEDERAL NATIONAL MORTGAGE ASSOCIATION-B 1.500% Due 08-28-18	05-28-15	100.00	20,000,000	100.42	20,083,200.00	99.99	19,997,660.00	51,666.67	20,049,326.67	AA+	0.46
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.750% Due 06-20-19			5,000,000	99.95	4,997,350.00	101.51	5,075,525.00	31,597.22	5,107,122.22	AA+	0.12
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.750% Due 09-12-19			10,000,000	99.44	9,943,700.00	101.18	10,117,540.00	23,333.33	10,140,873.33	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.750% Due 11-26-19			7,500,000	99.55	7,466,550.00	101.04	7,578,067.50	56,510.42	7,634,577.92	AA+	0.17
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.625% Due 01-21-20			10,000,000	99.90	9,989,900.00	100.46	10,046,100.00	44,687.50	10,090,787.50	AA+	0.23
FEDERAL NATIONAL MORTGAGE ASSOCIATION 1.500% Due 06-22-20			10,000,000	99.65	9,965,100.00	99.54	9,954,180.00	53,333.33	10,007,513.33	AA+	0.23
			2,100,014,857		2,099,666,316.34		2,102,020,034.80	1,999,201.83	2,104,019,236.63		48.25
FLOATING RATE SECURITIES											
UNITED TECHNOLOGIES CORP. 0.762% Due 06-01-15			5,000,000	100.00	5,000,000.00	100.04	5,002,060.00	6,346.67	5,008,406.67	A	0.11

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IBM CORP - FLOATER 0.309% Due 07-29-15			15,000,000	100.00	15,000,000.00	100.01	15,001,050.00	11,330.00	15,012,380.00	AA-	0.34
JP MORGAN CHASE & CO CB FLOATER 0.528% Due 07-30-15			5,750,000	100.12	5,757,084.00	100.05	5,752,714.00	0.00	5,752,714.00	A+	0.13
BANK OF MONTREAL- FLOATER 0.517% Due 09-24-15			35,000,000	100.00	35,000,000.00	100.08	35,028,210.00	18,590.44	35,046,800.44	A+	0.80
WELLS FARGO & COMPANY - FLOATER 0.479% Due 10-28-15			10,000,000	99.52	9,952,400.00	100.06	10,006,360.00	0.00	10,006,360.00	A+	0.23
GENERAL ELECTRIC CAPITAL CORPORATION-FLTR 0.874% Due 01-08-16			10,000,000	100.00	10,000,000.00	100.40	10,039,650.00	5,339.58	10,044,989.58	AA+	0.23
BANK OF NEW YORK MELLON 0.491% Due 03-04-16			20,000,000	100.00	20,000,000.00	100.14	20,027,920.00	15,546.75	20,043,466.75	A+	0.46
ROYAL BANK OF CANADA 0.634% Due 03-08-16			10,000,000	100.00	10,000,000.00	100.27	10,027,380.00	9,328.00	10,036,708.00	AA-	0.23
BANK OF NOVA SCOTIA 0.671% Due 03-15-16			20,000,000	100.00	20,000,000.00	100.28	20,056,760.00	16,392.44	20,073,152.44	A+	0.46
RABOBANK NEDERLAND 0.750% Due 03-18-16			8,000,000	100.00	8,000,000.00	100.34	8,027,512.00	7,001.40	8,034,513.40	A+	0.18
APPLE INC. 0.303% Due 05-03-16			20,000,000	100.00	20,000,000.00	100.07	20,013,900.00	14,481.44	20,028,381.44	AA+	0.46
TORONTO-DOMINION BANK FLOAT 0.446% Due 07-13-16			20,000,000	100.00	20,000,000.00	100.04	20,007,460.00	4,211.28	20,011,671.28	AA-	0.46
BANK OF MONTREAL-FLOATER 0.795% Due 07-15-16			7,000,000	100.00	7,000,000.00	100.49	7,034,076.00	2,319.62	7,036,395.62	A+	0.16
TORONTO DOMINION BANK 0.724% Due 09-09-16			35,000,000	100.00	35,000,000.00	100.40	35,140,070.00	36,582.00	35,176,652.00	AA-	0.81
COCA-COLA CO./THE 0.355% Due 11-01-16			10,000,000	100.00	10,000,000.00	100.07	10,007,420.00	8,668.00	10,016,088.00	AA-	0.23
PROCTER & GAMBLE CO. - FLOATER 0.332% Due 11-04-16			4,000,000	100.00	4,000,000.00	100.03	4,001,196.00	3,136.50	4,004,332.50	AA-	0.09
TORONTO-DOMINION BANK 0.531% Due 01-06-17			20,000,000	100.00	20,000,000.00	100.11	20,022,200.00	6,781.81	20,028,981.81	AA-	0.46
GENERAL ELECTRIC CAPITAL CORP. 0.554% Due 01-09-17			7,000,000	100.00	7,000,000.00	100.26	7,018,368.00	2,261.15	7,020,629.15	AA+	0.16
BERKSHIRE HATHAWAY FIN 0.421% Due 01-10-17			15,000,000	100.00	15,000,000.00	100.08	15,011,535.00	3,510.00	15,015,045.00	AA	0.34
EXXON MOBIL CORPORATION 0.311% Due 03-15-17			25,000,000	100.00	25,000,000.00	99.99	24,998,500.00	9,921.94	25,008,421.94	AAA	0.57
BANK OF NOVA SCOTIA 0.586% Due 04-11-17			25,000,000	100.00	25,000,000.00	100.09	25,021,825.00	7,730.62	25,029,555.62	A+	0.57

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GENERAL ELECTRIC CAPITAL CORPORATION-FLTR 0.537% Due 05-15-17			3,000,000	100.00	3,000,000.00	100.26	3,007,821.00	3,356.87	3,011,177.87	AA+	0.07
ORACLE CORP FLOATER 0.471% Due 07-07-17			25,000,000	100.00	25,000,000.00	100.12	25,030,325.00	7,518.92	25,037,843.92	A+	0.57
PNC BANK NA-1 0.555% Due 08-01-17	08-01-16	100.00	5,000,000	100.00	5,000,000.00	99.82	4,991,115.00	6,778.44	4,997,893.44	A	0.11
CHEVRON CORPORATION-FLTR 0.427% Due 11-15-17			15,000,000	100.00	15,000,000.00	100.05	15,007,275.00	12,813.00	15,020,088.00	AA	0.34
TOYOTA MOTOR CREDIT CORPORATION-FLOATER 0.596% Due 01-12-18			5,000,000	100.00	5,000,000.00	100.10	5,005,065.00	1,489.75	5,006,554.75	AA-	0.11
US BANK NA CINCINNATI 0.556% Due 01-26-18			12,000,000	100.00	12,000,000.00	100.18	12,021,948.00	741.47	12,022,689.47	AA-	0.28
IBM CORP.- FLOAT 0.445% Due 02-06-18			10,000,000	100.00	10,000,000.00	100.05	10,005,460.00	10,262.03	10,015,722.03	AA-	0.23
APPLE INC. 0.503% Due 05-03-18			30,000,000	100.04	30,012,600.00	100.30	30,089,220.00	36,055.50	30,125,275.50	AA+	0.69
MERCK & CO INC. 0.616% Due 05-18-18			10,000,000	100.00	10,000,000.00	100.45	10,045,140.00	12,324.00	10,057,464.00	AA	0.23
			441,750,000		441,722,084.00		442,449,535.00	280,819.64	442,730,354.64		10.16
CORPORATE BONDS											
TOYOTA MOTOR CREDIT CORPORATION 3.200% Due 06-17-15			10,000,000	99.88	9,987,600.00	100.37	10,036,710.00	118,222.22	10,154,932.22	AA-	0.23
WELLS FARGO & COMPANY 1.500% Due 07-01-15			25,000,000	100.28	25,070,225.00	100.18	25,045,775.00	123,958.33	25,169,733.33	A+	0.57
MICROSOFT CORPORATION 1.625% Due 09-25-15			17,000,000	103.17	17,538,110.00	100.52	17,088,128.00	26,857.64	17,114,985.64	AAA	0.39
BANK OF NOVA SCOTIA 0.750% Due 10-09-15			15,000,000	100.00	14,999,550.00	100.17	15,025,950.00	6,562.50	15,032,512.50	A+	0.34
WAL-MART STORES INC. 1.500% Due 10-25-15			10,000,000	99.46	9,945,900.00	100.57	10,057,240.00	2,083.33	10,059,323.33	AA	0.23
BANK OF MONTREAL 0.800% Due 11-06-15			7,000,000	99.90	6,993,140.00	100.21	7,014,756.00	27,066.67	7,041,822.67	A+	0.16
GENERAL ELECTRIC CAPITAL CORPORATION 2.250% Due 11-09-15			5,000,000	103.50	5,174,800.00	100.98	5,048,835.00	53,437.50	5,102,272.50	AA+	0.12
COSTO WHOLESALE CORP. 0.650% Due 12-07-15			11,000,000	99.88	10,986,910.00	100.20	11,022,110.00	28,401.39	11,050,511.39	A+	0.25

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GENERAL ELECTRIC CAPITAL CORPORATION 1.000% Due 01-08-16			20,000,000	99.68	19,935,800.00	100.44	20,088,260.00	62,222.22	20,150,482.22	AA+	0.46
WESTPAC BANKING CORP. 0.950% Due 01-12-16			15,000,000	99.88	14,982,750.00	100.32	15,047,280.00	42,750.00	15,090,030.00	AA-	0.35
WAL-MART STORES INC. 0.600% Due 04-11-16			7,000,000	99.93	6,995,030.00	100.23	7,016,051.00	2,216.67	7,018,267.67	AA	0.16
APPLE INC. 0.450% Due 05-03-16			15,000,000	99.82	14,972,850.00	100.06	15,009,030.00	33,187.50	15,042,217.50	AA+	0.34
IBM CORP. 0.450% Due 05-06-16			25,000,000	99.72	24,929,500.00	99.97	24,992,750.00	54,375.00	25,047,125.00	AA-	0.57
JOHNSON & JOHNSON 2.150% Due 05-15-16			4,500,000	104.83	4,717,485.00	101.77	4,579,618.50	44,343.75	4,623,962.25	AAA	0.11
IBM CORP. 1.950% Due 07-22-16			6,000,000	99.43	5,965,680.00	101.69	6,101,616.00	31,850.00	6,133,466.00	AA-	0.14
BERKSHIRE HATHAWAY FIN. 0.950% Due 08-15-16			5,000,000	99.95	4,997,350.00	100.42	5,021,085.00	9,895.83	5,030,980.83	AA	0.12
PROCTER & GAMBLE CO. 0.750% Due 11-04-16			5,000,000	99.99	4,999,550.00	100.22	5,010,935.00	18,333.33	5,029,268.33	AA-	0.12
BANK OF NOVA SCOTIA 1.100% Due 12-13-16			10,000,000	99.97	9,997,100.00	100.30	10,029,610.00	41,861.11	10,071,471.11	A+	0.23
EXXON MOBIL CORPORATION 0.921% Due 03-15-17			20,000,000	100.00	20,000,000.00	100.51	20,102,660.00	23,025.00	20,125,685.00	AAA	0.46
GENERAL ELECTRIC CAPITAL CORPORATION 2.300% Due 04-27-17			10,000,000	103.73	10,373,000.00	102.62	10,262,280.00	1,916.67	10,264,196.67	AA+	0.24
GENERAL ELECTRIC CAPITAL CORPORATION 1.250% Due 05-15-17			5,000,000	99.98	4,999,250.00	100.71	5,035,685.00	28,645.83	5,064,330.83	AA+	0.12
WALT DISNEY COMPANY/THE 0.875% Due 05-30-17			15,000,000	99.82	14,973,000.00	99.91	14,986,785.00	54,687.50	15,041,472.50	A	0.34
WELLS FARGO & COMPANY 1.150% Due 06-02-17			25,000,000	99.87	24,968,500.00	100.09	25,021,425.00	118,194.44	25,139,619.44	A+	0.57
ROYAL BANK OF CANADA 1.250% Due 06-16-17			15,000,000	99.96	14,994,300.00	100.25	15,038,070.00	69,791.67	15,107,861.67	AA-	0.35
TOYOTA MOTOR CREDIT CORPORATION 1.250% Due 10-05-17			25,000,000	100.16	25,039,200.00	100.39	25,096,275.00	21,701.39	25,117,976.39	AA-	0.58
CHEVRON CORPORATION 1.345% Due 11-15-17			10,000,000	100.00	10,000,000.00	100.63	10,062,650.00	61,645.83	10,124,295.83	AA	0.23
TOYOTA MOTOR CREDIT CORPORATION 1.450% Due 01-12-18			5,000,000	99.86	4,993,150.00	100.65	5,032,425.00	21,750.00	5,054,175.00	AA-	0.12
IBM CORP. 1.125% Due 02-06-18			5,000,000	99.69	4,984,750.00	99.96	4,998,125.00	13,125.00	5,011,250.00	AA-	0.11

SAN MATEO COUNTY TREASURER'S OFFICE

PORTFOLIO APPRAISAL

SAN MATEO COUNTY POOL

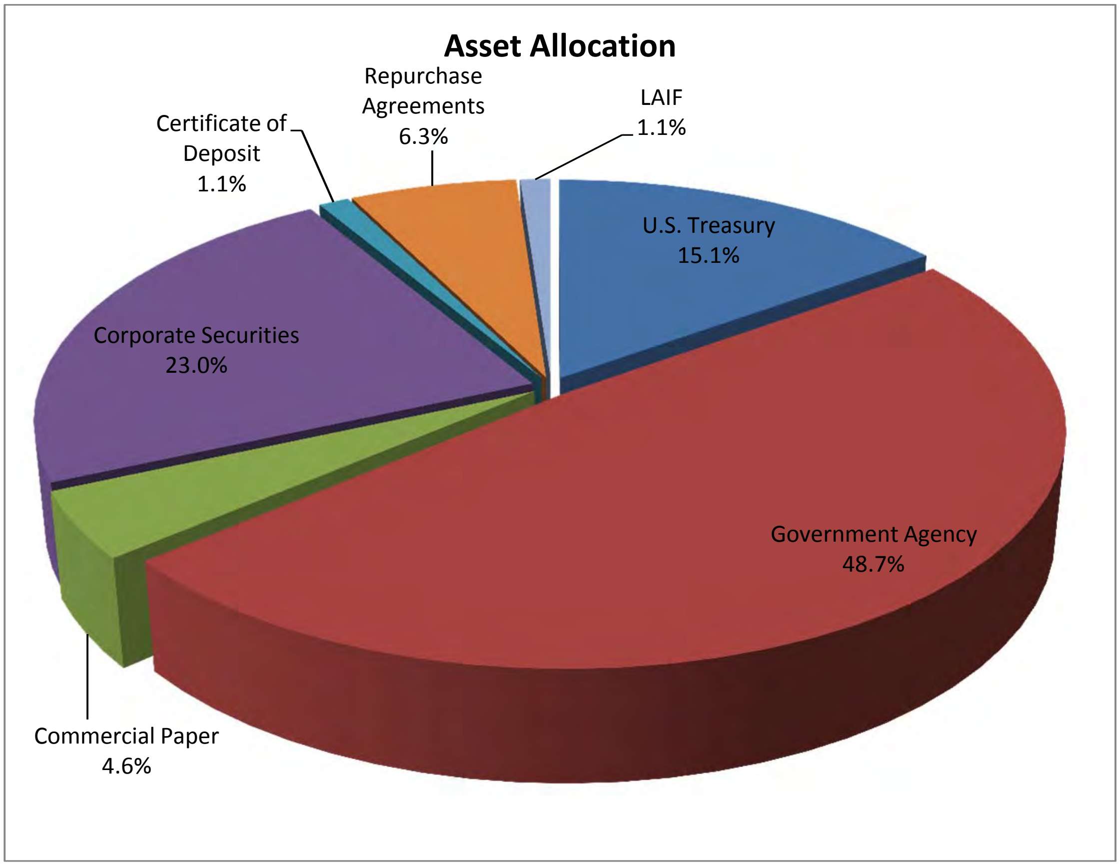
April 30, 2015

Security	Call Date One	Call Price One	Quantity	Unit Cost	Total Cost	Market Price	Market Value	Accrued Interest	Market Value + Accrued Interest	S&P	Pct Assets
ELI LILLY & CO 1.250% Due 03-01-18			5,000,000	99.91	4,995,600.00	100.27	5,013,310.00	10,243.06	5,023,553.06	AA-	0.12
CHEVRON CORPORATION 1.365% Due 03-02-18			15,000,000	100.00	15,000,000.00	100.45	15,066,915.00	32,987.50	15,099,902.50	AA	0.35
EXXON MOBIL CORPORATION 1.305% Due 03-06-18			12,000,000	100.00	12,000,000.00	100.59	12,070,560.00	23,490.00	12,094,050.00	AAA	0.28
BANK OF MONTREAL 1.400% Due 04-10-18			15,000,000	99.94	14,990,400.00	99.96	14,994,060.00	11,666.67	15,005,726.67	A+	0.34
TORONTO DOMINION BANK 1.400% Due 04-30-18			12,000,000	99.93	11,991,960.00	100.11	12,012,684.00	0.00	12,012,684.00	AA-	0.28
MICROSOFT CORP. 1.000% Due 05-01-18			5,000,000	99.94	4,996,850.00	99.99	4,999,450.00	24,861.11	5,024,311.11	AAA	0.11
APPLE INC. 1.000% Due 05-03-18			15,000,000	99.63	14,944,650.00	99.48	14,921,340.00	73,750.00	14,995,090.00	AA+	0.34
BERKSHIRE HATHAWAY FIN. 1.300% Due 05-15-18			8,000,000	99.94	7,995,360.00	100.34	8,027,576.00	47,666.67	8,075,242.67	AA	0.18
CHEVRON CORPORATION 1.718% Due 06-24-18			10,000,000	100.00	10,000,000.00	101.27	10,126,580.00	60,130.00	10,186,710.00	AA	0.23
COCA-COLA CO./THE 1.650% Due 11-01-18			10,000,000	99.86	9,985,700.00	101.52	10,152,020.00	82,041.67	10,234,061.67	AA-	0.23
PROCTER & GAMBLE CO. 1.600% Due 11-15-18			7,000,000	99.83	6,988,170.00	101.19	7,083,237.00	51,333.33	7,134,570.33	AA-	0.16
EXXON MOBIL CORPORATION 1.819% Due 03-15-19			15,000,000	100.00	15,000,000.00	101.08	15,162,555.00	34,106.25	15,196,661.25	AAA	0.35
3M COMPANY 1.625% Due 06-15-19			25,000,000	99.43	24,858,500.00	100.13	25,031,900.00	152,343.75	25,184,243.75	AA-	0.57
BANK OF NEW YORK MELLON 2.300% Due 09-11-19			15,000,000	99.98	14,997,150.00	101.46	15,218,385.00	46,958.33	15,265,343.33	A+	0.35
US BANK NA 2.125% Due 10-28-19			10,000,000	99.91	9,991,000.00	101.02	10,101,850.00	1,180.56	10,103,030.56	AA-	0.23
WELLS FARGO & COMPANY 2.150% Due 01-30-20			15,000,000	99.86	14,979,600.00	99.99	14,998,005.00	80,625.00	15,078,630.00	A+	0.34
ROYAL BANK OF CANADA 2.150% Due 03-06-20			15,000,000	99.90	14,985,150.00	100.50	15,075,600.00	48,375.00	15,123,975.00	AA-	0.35
			556,500,000		557,214,570.00		558,928,146.50	1,923,867.22	560,852,013.72		12.83
TOTAL PORTFOLIO			**4,352,514,857**		**4,350,965,074.21**		**4,356,272,969.70**	**5,123,625.01**	**4,361,396,594.71**		**100.00**

** TOTAL COST DOES NOT REFLECT AMORTIZATIONS OR ACCRETIONS BUT INCLUDES PURCHASED ACCRUED INTEREST. MARKET PRICES ARE DOWNLOADED THROUGH (IDC) INTERACTIVE DATA CORP.

San Mateo County Treasurer - Asset Allocation

as of April 30, 2015

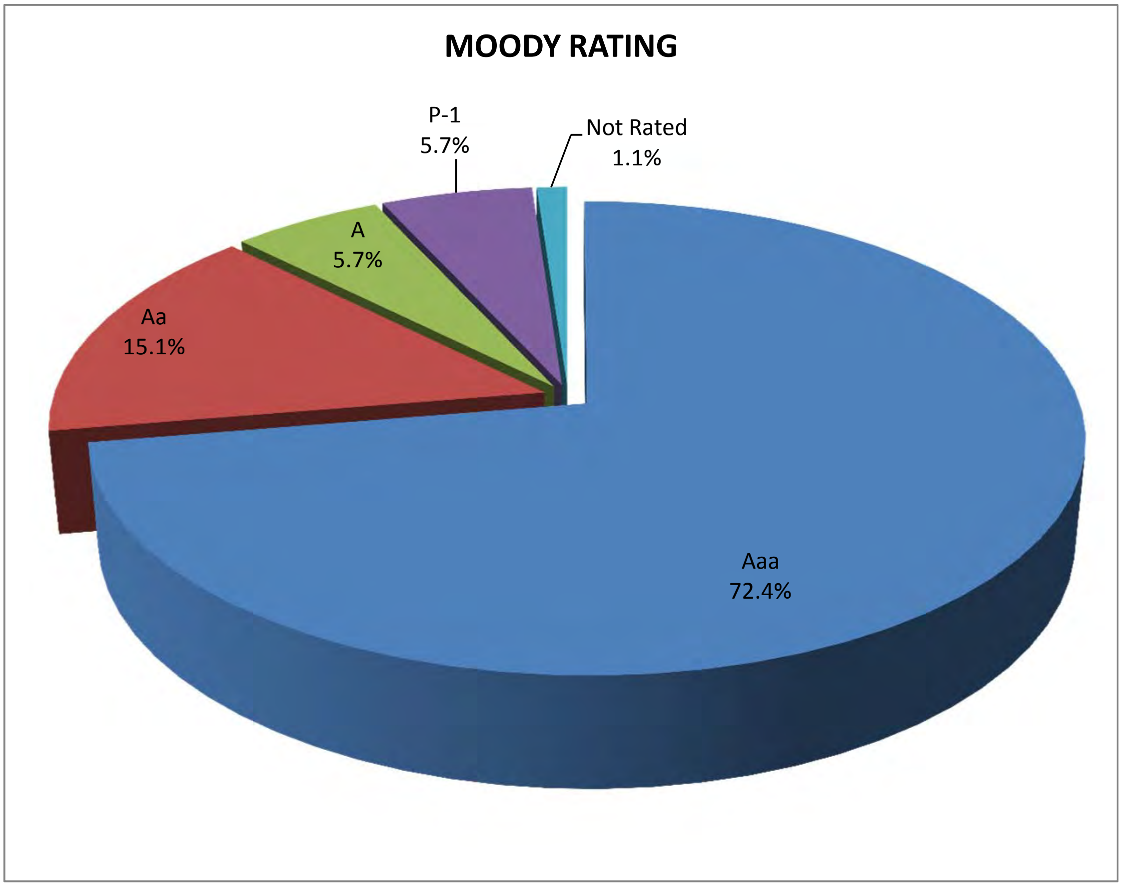


Sector:	**Market Value:***	
U.S. Treasury	658,577,256	15.1%
Government Agency	2,124,036,810	48.7%
Commercial Paper	199,916,535	4.6%
Corporate Securities	1,003,582,368	23.0%
Certificate of Deposit	50,027,792	1.1%
Repurchase Agreements	275,250,000	6.3%
LAIF	50,005,833	1.1%
Totals	4,361,396,595	100.0%

*Market Values listed include accrued interest for the reported period. Totals are rounded off to the nearest dollar.

San Mateo County Treasurer - Credit Quality

as of April 30, 2015

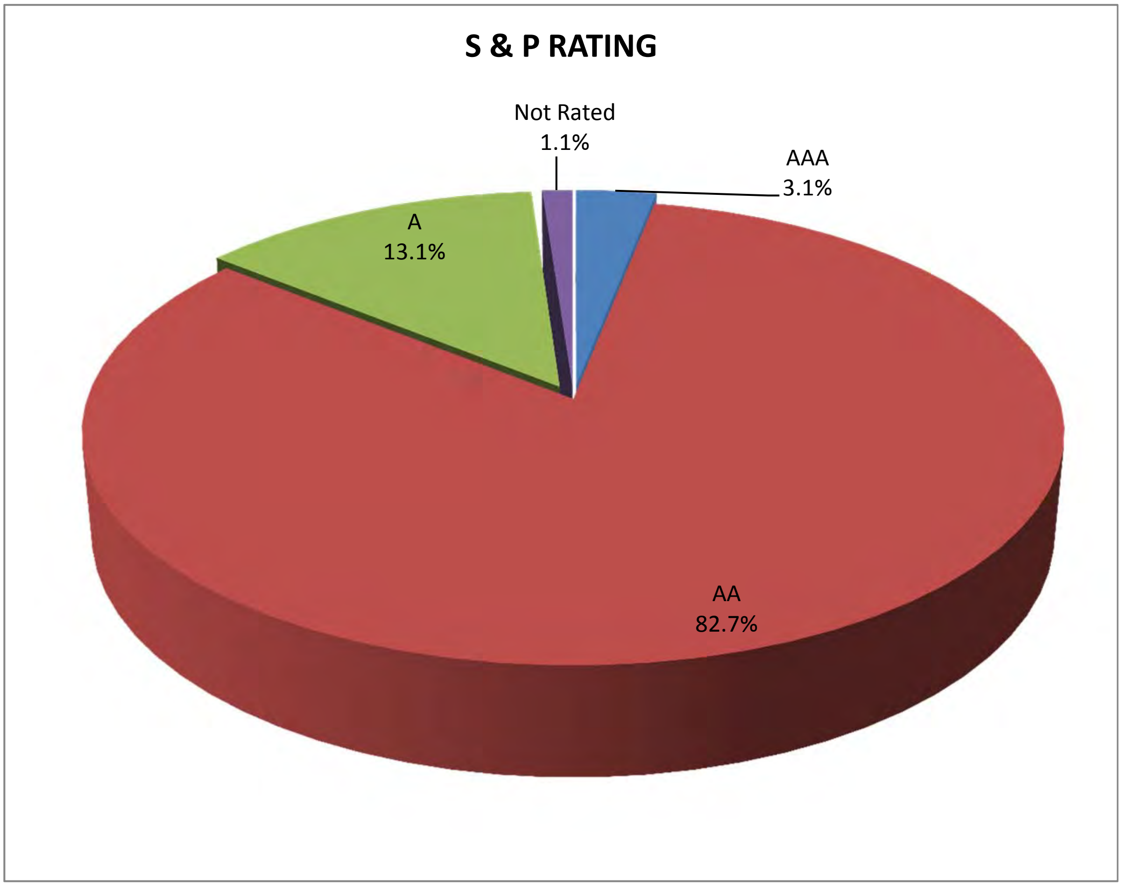


Rating:	Market Value:*	
Aaa	3,157,052,144	72.4%
Aa	656,815,915	15.1%
A	247,578,377	5.7%
P-1	249,944,327	5.7%
Not Rated	50,005,833	1.1%
Totals	4,361,396,595	100.0%

*Market Values listed include accrued interest for the reported period. Totals are rounded off to the nearest dollar.

San Mateo County Treasurer - Credit Quality

as of April 30, 2015



Rating:	**Market Value:***	
AAA	133,602,683	3.1%
AA	3,607,879,806	82.7%
A	569,908,272	13.1%
Not Rated	50,005,833	1.1%
Totals	4,361,396,595	100.0%

*Market Values listed include accrued interest for the reported period. Totals are rounded off to the nearest dollar.

DIVERSIFICATION REPORT

Portf. Par Value 4,352,514,857

April 30, 2015

	CORP. BOND-fltr	CORPORATE BD	COMM. PAPER	CERTF. DEPOSIT	TOTAL	% to Portf.
Apple Inc.	50,000,000	30,000,000			80,000,000	1.84%
Bank of Montreal	42,000,000	22,000,000			64,000,000	1.47%
Bank of New York	20,000,000	15,000,000			35,000,000	0.80%
Bank of Nova Scotia	45,000,000	25,000,000			70,000,000	1.61%
Berkshire Hathaway	15,000,000	13,000,000			28,000,000	0.64%
BNP Paribas NY			25,000,000		25,000,000	0.57%
Chevron Corp.	15,000,000	35,000,000			50,000,000	1.15%
Coca Cola/KO	10,000,000	10,000,000			20,000,000	0.46%
Costco Whlsl. Corp.		11,000,000			11,000,000	0.25%
Eli Lilly & Co.		5,000,000			5,000,000	0.11%
Exxon Mobil	25,000,000	47,000,000			72,000,000	1.65%
General Electric	20,000,000	40,000,000			60,000,000	1.38%
IBM Corp.	25,000,000	36,000,000			61,000,000	1.40%
Johnson & Johnson		4,500,000			4,500,000	0.10%
JPM	5,750,000				5,750,000	0.13%
3M Company		25,000,000			25,000,000	0.57%
Merck & Co. Inc.	10,000,000				10,000,000	0.23%
Microsoft Corp.		22,000,000			22,000,000	0.51%
Oracle Corp.	25,000,000				25,000,000	0.57%
Procter & Gamble Co.	4,000,000	12,000,000			16,000,000	0.37%
PNC Bank	5,000,000				5,000,000	0.11%
Rabo Bank Nederland	8,000,000				8,000,000	0.18%
Royal Bank of Canada	10,000,000	30,000,000			40,000,000	0.92%
Toronto Dominion Bank	75,000,000	12,000,000			87,000,000	2.00%
Toyota Motor Credit	5,000,000	40,000,000	50,000,000		95,000,000	2.18%
United Technologies Corp.	5,000,000				5,000,000	0.11%
Union Bank MUFG			125,000,000		125,000,000	2.87%
US Bank of Cincinnati	12,000,000	10,000,000			22,000,000	0.51%
Wal Mart Stores		17,000,000			17,000,000	0.39%
Walt Disney	0	15,000,000			15,000,000	0.34%
Wells Fargo & Co.	10,000,000	65,000,000		50,000,000	125,000,000	2.87%
WestPac Banking		15,000,000			15,000,000	0.34%
	441,750,000	**556,500,000**	**200,000,000**	**50,000,000**	**1,248,250,000**	**28.68%**

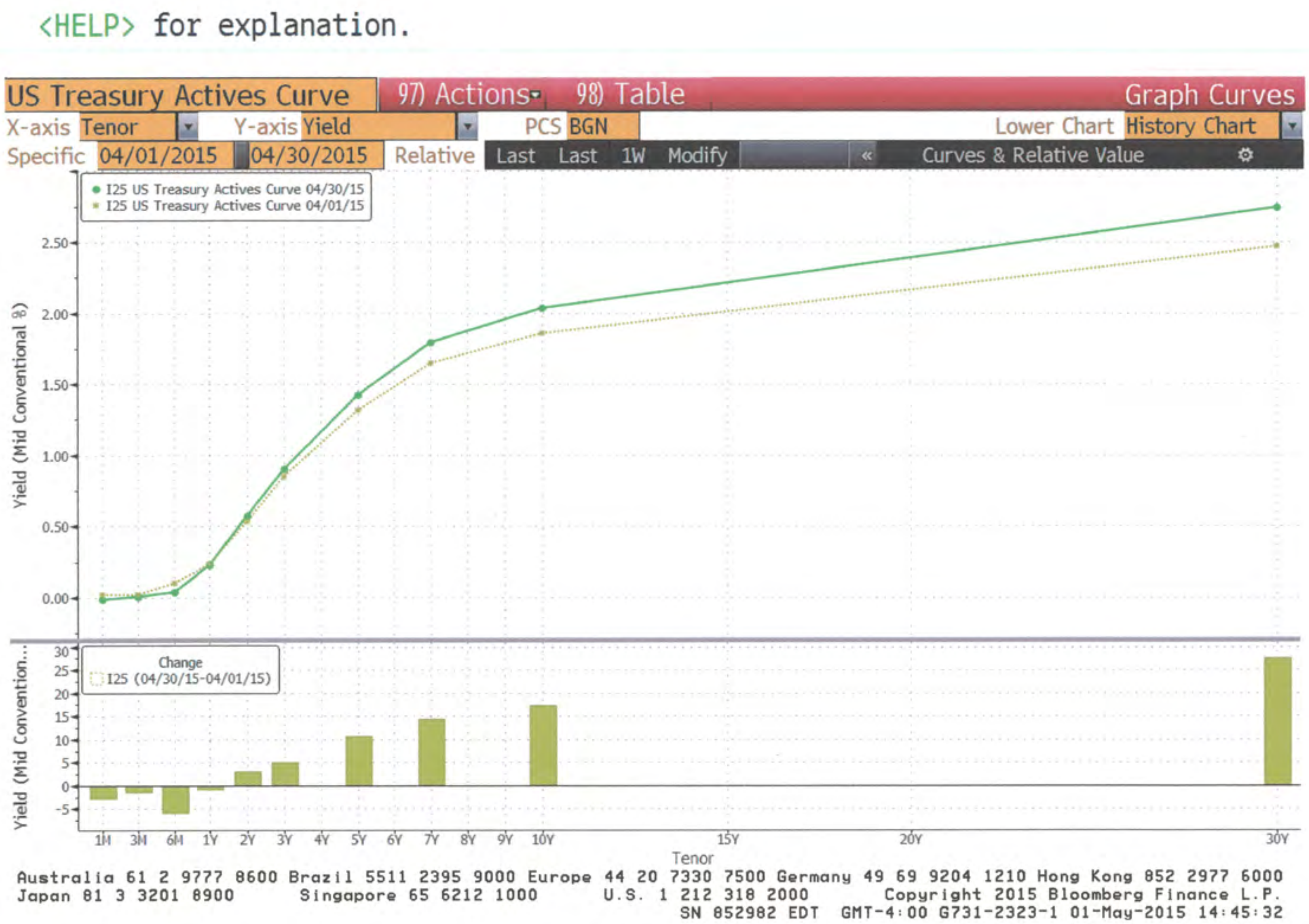
ROLLING YEAR PROJECTED CASH FLOW

(IN 000'S)

	2015								2016				
	MAY	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	TOTAL
CASH IN:													
Taxes:													
Secured	$2,683.2	$1,765.3	$1,175.2	$126.3	$0.0	$96,813.0	$246,900.6	$335,697.2	$42,283.5	$39,677.5	$127,940.6	$321,098.4	**$1,216,160.8**
Unsecured	$0.0	$0.0	$3,184.8	$29,101.2	$1,812.9	$963.4	$308.4	$2,502.9	$3.0	$2.4	$0.0	$0.0	**$37,879.0**
Supplemental	$170.9	$0.0	$61.9	$26.3	$176.1	$115.7	$266.5	$485.6	$0.0	$49.6	$369.7	$83.1	**$1,805.4**
Mixed	$8,007.2	$9,519.8	$12,165.1	$41,595.8	$20,349.6	$51,978.6	$104,783.4	$321,250.6	$27,769.0	$39,723.3	$84,547.2	$135,550.2	**$857,239.8**
Automatics	$44,589.5	$38,580.4	$60,568.5	$35,434.1	$47,625.1	$32,610.3	$32,408.3	$35,910.4	$34,978.5	$36,149.6	$35,549.0	$31,367.5	**$465,771.3**
Automatics - Schools Appt	$575.2	$46,261.1	$31,446.3	$17,684.1	$15,032.3	$26,173.4	$17,791.8	$29,912.2	$22,084.5	$14,163.9	$24,880.5	$16,887.0	**$262,892.2**
Unscheduled Sub. (Lockbox)	$16,133.5	$35,387.5	$23,064.1	$24,335.5	$87,813.1	$29,026.0	$22,257.9	$26,885.4	$26,963.9	$14,163.9	$40,675.8	$27,023.7	**$373,730.3**
Treasurer's Deposit	$65,658.4	$105,156.1	$51,244.4	$56,270.6	$57,891.0	$97,814.2	$89,104.5	$93,557.7	$61,652.7	$84,443.8	$59,712.5	$144,103.5	**$966,609.4**
Hospitals (Treasurer's Office)	$13,324.0	$12,280.3	$14,706.5	$15,255.7	$13,379.8	$13,920.2	$15,393.3	$10,331.2	$15,313.0	$32,938.2	$18,823.3	$10,985.3	**$186,650.8**
Revenue Services	$712.3	$192.6	$681.5	$616.1	$334.4	$628.2	$914.0	$1,557.3	$1,708.7	$781.1	$785.8	$225.5	**$9,137.5**
Retirement Deposit	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**$0.0**
Housing Authority	$3,761.3	$2,939.0	$3,202.5	$3,676.1	$3,500.7	$3,059.2	$2,563.7	$3,441.9	$2,934.3	$3,500.7	$3,987.3	$3,225.0	**$39,791.7**
TRAN/OTHER Deposits-county	$732.5	$0.0	$25,910.2	$1,305.4	$1,868.7	$550.9	$759.8	$624.5	$0.0	$0.0	$250.4	$7,653.0	**$39,655.4**
TRAN/OTHER Deposits-schools	$894.4	$0.0	$12,000.0	$5,837.3	$5,260.1	$1,124.7	$1,125.1	$1,013.6	$6,253.7	$2,465.3	$724.4	$3,424.1	**$40,122.7**
Bond/BANS Proceeds	$61,804.5	$294,000.0	$0.0	$0.0	$0.0	$0.0	$0.0	$191.7	$0.0	$861.9	$0.0	$0.0	**$356,858.1**
Coupon Interest	$1,861.6	$1,101.2	$977.1	$1,178.3	$1,911.9	$1,142.6	$1,636.3	$1,867.4	$803.3	$1,263.0	$2,403.8	$2,281.1	**$18,427.6**
LAIF WITHDRAWAL													**$0.0**
TOTAL CASH IN:	$220,908.4	$547,183.3	$240,388.1	$232,442.8	$256,955.7	$355,920.4	$536,213.6	$865,229.6	$242,748.1	$270,184.2	$400,650.3	$703,907.4	**$4,872,731.9**
CASH OUT:													
Tax Apportionments: checks	($20,588.0)	($7,010.0)	($3,150.0)	($196.6)	$0.0	($7,739.6)	($22,783.8)	($141,585.6)	($46,439.2)	($18,480.6)	($3,704.7)	($95,808.7)	**($367,486.8)**
Outside Withdrawals	($2,569.5)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	**($2,569.5)**
Returned Checks/Miscellaneous	($9.4)	($121.6)	($7.6)	($4,152.4)	($14.2)	($18.5)	($14.8)	($4.6)	($84.7)	($13.9)	($60.2)	($622.6)	**($5,124.5)**
TRAN/Other Payments-county	($19,372.4)	($121.8)	($78,267.4)	($7,768.2)	($32,983.8)	($20,742.3)	($1,770.9)	($20,645.3)	($13,127.8)	($308.4)	($14,291.3)	($9,018.8)	**($218,418.4)**
TRAN/Other Payments-schools	($1,413.8)	($31,885.7)	($9,913.2)	($701.4)	($3,365.9)	$0.0	($2,032.8)	($1,087.3)	($7,190.2)	($9,874.6)	($3,543.4)	($1,512.0)	**($72,520.2)**
GO Bond/BANS Payments	$0.0	($651.1)	($28,504.3)	($33,679.7)	($56,314.4)	($3,006.7)	$0.0	($651.1)	$0.0	$0.0	$0.0	$0.0	**($122,807.3)**
Housing Authority	($3,143.3)	($3,277.1)	($3,186.0)	($3,116.1)	($3,170.7)	($3,334.0)	($2,412.8)	($3,596.6)	($2,979.0)	($3,417.3)	($4,924.6)	($3,793.2)	**($40,350.7)**
Payroll-county	($56,713.0)	($33,049.8)	($35,210.1)	($35,035.2)	($34,972.8)	($47,749.8)	($42,040.7)	($36,803.2)	($37,847.1)	($37,954.1)	($37,737.8)	($37,248.6)	**($472,362.2)**
schools	($58,049.6)	($67,306.5)	($36,485.8)	($36,385.1)	($49,270.3)	($59,960.8)	($73,029.2)	($61,685.4)	($43,764.9)	($58,797.3)	($59,080.3)	($54,991.0)	**($658,806.2)**
retirement	($14,037.0)	($12,551.0)	($13,073.1)	($13,281.8)	($13,359.4)	($13,115.0)	($13,255.8)	($13,244.0)	($13,640.2)	($13,606.1)	($13,462.3)	($13,188.3)	**($159,814.0)**
School Vendors	($53,321.0)	($58,865.9)	($56,638.4)	($49,587.2)	($51,410.5)	($57,112.0)	($51,665.7)	($54,715.5)	($42,624.1)	($48,624.0)	($61,227.4)	($42,543.0)	**($628,334.7)**
Controllers EDP	($56,475.0)	($87,518.3)	($72,745.3)	($54,323.4)	($51,492.8)	($61,863.3)	($50,168.2)	($66,792.3)	($61,486.0)	($51,223.8)	($69,510.7)	($67,369.9)	**($750,969.0)**
SMCCCD	($14,071.0)	($3,910.4)	($15,338.0)	($11,556.4)	($14,978.9)	($14,846.6)	($15,435.7)	($17,521.3)	($6,543.9)	($13,265.3)	($15,444.7)	($13,763.0)	**($156,675.2)**
LAIF DEPOSIT													**$0.0**
Other ARS Debits	($20,938.5)	($17,700.5)	($18,983.5)	($18,506.5)	($15,632.0)	($15,890.8)	($13,595.2)	($23,094.6)	($16,821.9)	($21,110.5)	($19,279.3)	($14,026.4)	**($215,579.7)**
TOTAL CASH OUT:	($320,701.5)	($323,969.7)	($371,502.6)	($268,290.0)	($326,965.7)	($305,379.4)	($288,205.6)	($441,426.8)	($292,549.0)	($276,675.9)	($302,266.7)	($353,885.5)	**($3,871,818.4)**
TOTAL ESTIMATED CASH FLOW	($99,793.1)	$223,213.6	($131,114.6)	($35,847.2)	($70,010.0)	$50,541.0	$248,008.0	$423,802.8	($49,800.9)	($6,491.7)	$98,383.7	$350,021.9	**$1,000,913.5**
QUARTERLY CASH FLOW TOTALS		$123,420.6			($236,971.8)			$722,351.8			$42,091.0		**$650,891.6**
****MATURING SECURITIES**	**$236,620.0**	**$206,300.0**	**$297,791.0**	**$298,961.0**	**$239,700.0**	**$130,000.0**	**$27,000.0**	**$91,000.0**	**$75,000.0**	**$35,000.0**	**$108,000.0**	**$7,000.0**	**$1,752,372.0**
** Excludes any overnight investment													
Possible Calls	**$86,892.0**	**$110,000.0**	**$62,500.0**	**$55,000.0**	**$20,000.0**	**$30,000.0**	**$0.0**	**$0.0**	**$0.0**	**$5,000.0**	**$25,000.0**	**$40,000.0**	**$434,392.0**

MONTHLY YIELD CURVE

April 2015



MONTHLY YIELD CURVE

April 2015

<HELP> for explanation.

Screen Printed

US Treasury Actives Curve | 97) Actions | 98) Chart | Page 1/1 Graph Curves

X-axis Tenor | Y-axis Yield | PCS BGN

Specific 04/01/2015 | 04/30/2015 | Relative | Last | Last | 1W | Modify | « | Curves & Relative Value

Values and Members | Values | Members | Constituents | 6) Export

	I25 US Treasury Actives Curve			I25 US Treasury Actives Curve			I25 (Change)	
	04/30/15			04/01/15			04/30/15-04/01/15	
Tenor	Description	Mid Price	Mid Yield	Description	Mid Price	Mid Yield	Price	Yield
1M	B 0 05/28/15 Govt	-0.013	-0.013	B 0 04/30/15 Govt	0.018	0.018	-0.030	-3.0
3M	B 0 07/30/15 Govt	0.003	0.003	B 0 07/02/15 Govt	0.018	0.018	-0.015	-1.5
6M	B 0 10/29/15 Govt	0.038	0.038	B 0 10/01/15 Govt	0.098	0.099	-0.060	-6.1
1Y	B 0 04/28/16 Govt	0.223	0.227	B 0 03/31/16 Govt	0.233	0.237	-0.010	-1.0
2Y	T 0 ½ 04/30/17 Govt	99-27⅝	0.569	T 0 ½ 03/31/17 Govt	99-29⅝	0.537	-0-02	3.1
3Y	T 0 ¾ 04/15/18 Govt	99-17⅞	0.902	T 1 03/15/18 Govt	100-13⅞	0.851	-0-28	5.1
5Y	T 1 ⅜ 04/30/20 Govt	99-24⅛	1.426	T 1 ⅜ 03/31/20 Govt	100-08⅝	1.319	-0-16+	10.7
7Y	T 1 ¾ 04/30/22 Govt	99-23¼	1.792	T 1 ¾ 03/31/22 Govt	100-21¾	1.647	-0-30+	14.5
10Y	T 2 02/15/25 Govt	99-22¾	2.033	Same	101-08¾	1.858	-1-18	17.4
30Y	T 2 ½ 02/15/45 Govt	95-03+	2.741	Same	100-23¼	2.465	-5-19¾	27.6

APPENDIX F

LOCATION MAP OF THE DISTRICT AND IMPROVEMENT DISTRICT

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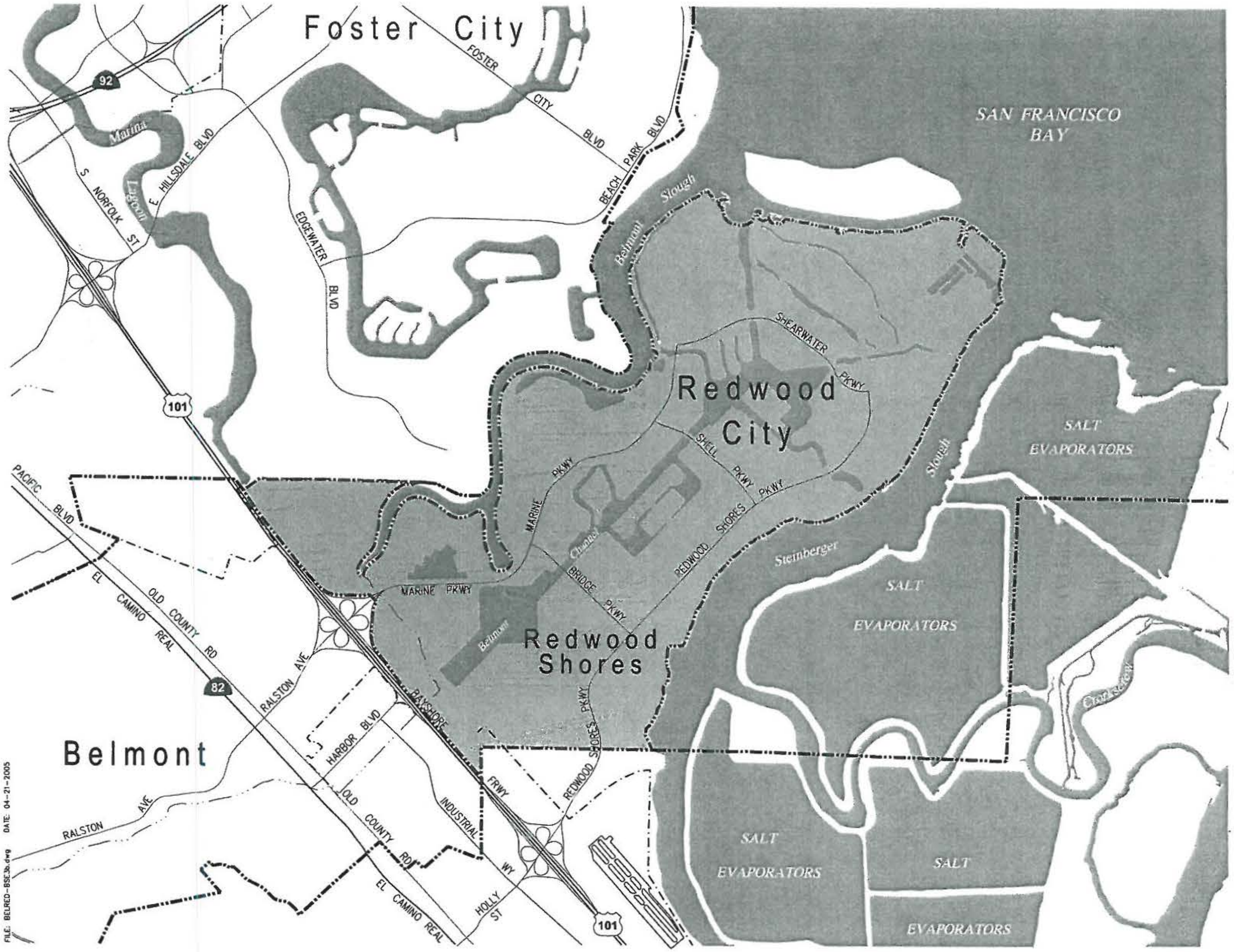

Belmont - Redwood Shor School Distric

San Mateo County, Califor

PROPOSED SCHOOL FACILITI IMPROVEMENT DIST

April 2005

LEGEND:

Belmont - Redwood School District

Proposed School Fa Improvement Distric

City Limit Boundarie

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