

FINAL

COMMUNITY FACILITIES DISTRICT
REVENUE & EXPENDITURE
REVIEW

SWEETWATER UNION HIGH SCHOOL DISTRICT
CHULA VISTA, CALIFORNIA

JANUARY 30, 2015

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SWEETWATER UNION HIGH SCHOOL DISTRICT
CHULA VISTA, CALIFORNIA

Prepared For

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EXECUTIVE SUMMARY

I. PURPOSE OF REPORT AND AREAS OF REVIEW

David Taussig and Associates, Inc. (“DTA”) has been engaged by Sweetwater Union High School District (the “School District”) to perform a comprehensive review of the Community Facilities District (CFD) revenues, expenditures, and debt service payments over the period 1987-2014. The purpose of the report is to provide a summary of our analysis of the CFD special tax levy and use of special tax funds, as follows:

(i) Expenditure Permissibility Review (Fiscal Years 1986-1987 to 2013-2014):

DTA has reviewed a sampling of expenditures for permissibility during the period indicated above. Expenditures include: (i) debt service and lease payments, (ii) annual administration expenditures, (iii) payments for construction of new school facilities, (iv) payments for modernization/rehabilitation of existing school facilities, and (v) payments for furnishings/equipment.

(ii) Revenue Collection Review (Fiscal Years 1994-1995 to 2013-2014):

DTA has reviewed receipt of special taxes for consistency with amounts levied during the period indicated above. In addition, for fiscal year 2013-2014, DTA has reviewed the special tax rates and amounts levied for each CFD to ensure that each levy was in accordance with the applicable Rate and Method of Apportionment (“RMA”), verified that the special tax rates were applied correctly, and verified that prepayments received were calculated correctly and applied in accordance with the applicable RMA and bond documents. Finally, DTA has reviewed whether interest earned from funds held in the County pool and from inter-fund loans adhered to requirements of formation documents, School District policy, and applicable law.

(iii) Debt Issuance Review (Fiscal Years 2004-2005 to 2013-2014):

DTA has reviewed School District CFD Local Goals and Policies (“CFD Goals and Policies”) adopted by the School District Board of Trustees (“Board”) on November 17, 2008, as well as School District policy, procedure, and practice regarding the four outstanding CFD bond issues, and determined whether the School District took reasonable efforts to ensure timely payments of debt service, to exercise bond calls or refinancings when beneficial to the School District and public, and to ensure competitive interest rates at issuance or in determining if a refinancing is feasible.

(iv) Cost Allocation Plan Review:

DTA has reviewed and analyzed the School District’s proposed Cost Allocation Plan and developed a financial model to estimate the revenues received by each CFD and expenditures allocated to each CFD from fiscal year 1987-1988 (first year of special tax levy) to fiscal year 2013-2014.

II. CONCLUSIONS AND RECOMMENDATIONS

Based on our review and analysis of revenue and expenditure data, the official statements, relevant bond documents, relevant CFD formation documents, historical levy data, historical apportionment data prepared by the County, information regarding School District policies and practices, and other

related items, DTA makes the following conclusions and recommendations regarding each area of review described above:

(i) Expenditure Permissibility Review (Fiscal Years 1986-1987 to 2013-2014):

DTA believes it is reasonable to assume that the annual administration and school facilities expenditures during the time period reviewed were permissible under the relevant bond documents, CFD formation documents, and Mello-Roos Community Facilities Act of 1982 (the “Mello-Roos Act”). As part of our review, DTA encountered one (1) expenditure incurred by the CFD No. 1 that may not have been related to the CFD program. DTA recommends that the School District reimburse CFD No. 1 for such expenditure and the applicable CFD(s) for any others found, and ensure that purchasing policies and procedures are properly adhered to in the future.

(ii) Revenue Collection Review (Fiscal Years 1994-1995 to 2013-2014):

DTA believes that it is reasonable to assume that special tax revenues were fully and accurately apportioned to the CFDs in aggregate, during the time period reviewed. DTA affirms that the special taxes levied, and prepayments calculated and collected, in fiscal year 2013-2014 were consistent with the applicable formation and bond documents, and that the fiscal year 2013-2014 special tax rates were applied correctly to the vast majority of parcels. DTA believes that it is reasonable to assume that interest earnings were accurately deposited, and affirms that inter-fund loans were made in compliance with applicable law. DTA recommends that the School District, when calculating the special tax levy each year, consider both the school facilities component of the special tax levy, and existing CFD fund balances, in light of anticipated school facilities needs, and identify and document those needs. In addition, DTA did find eight (8) parcels with potential discrepancies between their levied and expected special tax rate; therefore, DTA recommends that the School District and SDFA research the underlying data for these parcels and make any necessary adjustments for fiscal year 2015-2016 and thereafter.

(iii) Debt Issuance Review (Fiscal Years 2004-2005 to 2013-2014):

DTA affirms that the School District took reasonable efforts to ensure timely payments of debt service, to exercise bond calls or refinancings when beneficial to stakeholders, and public, and to ensure that debt was issued with competitive interest rates. DTA recommends that the School District document their policies and practices with regards to the aforementioned debt issuance items.

(iv) Cost Allocation Plan Review:

DTA has reviewed and analyzed the School District’s proposed Cost Allocation Plan and believes it is mathematically sound, fair and equitable to the CFDs, and in compliance with relevant CFD formation documents and Mello-Roos Act. DTA recommends that the School District implement the Cost Allocation Plan, with certain additions as discussed in Section 5, as soon as practically possible, and develop policies and procedures to accurately and timely allocate the costs and revenues to each CFD.

III. QUALIFICATIONS OF INDEPENDENT CONSULTANT

DTA is a public finance and urban economics consulting firm specializing in infrastructure and public services finance. DTA is particularly known for our specialized expertise in the design, formation, and administration of CFDs and assessment districts. Our firm was the State's pioneer in the formation of CFDs, and is currently the State of California's leading special tax consultant. DTA's CFD special tax formulas have been utilized in the formation of over 2,300 CFDs, and have provided debt service coverage for the sale of land-secured bond issues by most of these districts. This has provided DTA with considerable experience working with landowners, public agencies, underwriters, bond counsels and financial advisors.

In addition to being the State's leading special tax consultant for the formation of CFDs, DTA has also been a State leader in the enrollment and collection of special taxes for over twenty years. In fiscal year 2013-2014, we levied special taxes or assessments on over 165,000 assessor's parcels in over 200 districts in California.

SECTION 1 INTRODUCTION

I. DESCRIPTION OF CFD PROGRAM

Sweetwater Union High School District (the “School District”) is the largest secondary school district in California, with over 41,000 students in grades seven through 12 and more than 24,000 adult learners. Beginning in 1986, the School District has used Community Facilities Districts (“CFDs”) to mitigate the impact of residential development on school facilities. The School District has 18 CFDs¹ in the cities of Chula Vista, Imperial Beach, National City, and San Diego, and unincorporated areas of the County of San Diego (the “County”), including Bonita, Otay Mesa, and San Ysidro:

CFD No. 1 (Eastlake)	CFD No. 10 (Annexable)
CFD No. 2 (Bonita Long Canyon)	CFD No. 11 (Lomas Verde)
CFD No. 3 (Rancho Del Rey)	CFD No. 12 (Village One West)
CFD No. 4 (Sunbow)	CFD No. 13 (San Miguel Ranch)
CFD No. 5 (Annexable)	CFD No. 14 (Village 11)
CFD No. 6 (Village Development)	CFD No. 15 (Village 6)
CFD No. 8 (Coral Gate)	CFD No. 16 (McMillin - Village 7)
CFD No. 9A (Ocean View Hills)	CFD No. 17 (Villages 2 and 7)
CFD No. 9B (Denney Ranch)	CFD No. 18 (Millenia)

A CFD Vicinity Map is provided in **Exhibit A**.

CFD No. 1 (Eastlake) was formed in 1986, and is the largest CFD, with over 9,000 dwelling units expected at buildout. Construction of new homes is ongoing within CFD Nos. 1 (Eastlake), 3 (Rancho del Rey), 5 (Annexable), 10 (Annexable), 14 (Village 11), 15 (Village 6), 16 (McMillin – Village 7) and 17 (Villages 2 and 7), with all but CFD No. 17 nearing buildout. Construction of new homes has not yet commenced in CFD No. 18 (Millenia). Residential development within all other CFDs has been completed. As of fiscal year 2013-2014, the CFDs in aggregate contained over 37,000 dwelling units. Over 42,000 dwelling units are expected at buildout. A summary of development by CFD is shown below in **Table 1A**.

Table 1A
Development by CFD

CFD No.	FY 2013-2014 Dwelling Units	Additional Dwelling Units Expected	Buildout Dwelling Units	Percent of Buildout as of FY 2013-2014
1	9,508	373	9,881	96.23%
2	423	0	423	100.00%
3	3,907	8	3,915	99.80%
4	2,332	0	2,332	100.00%

¹ Includes CFD Nos. 1-6, 8, 9A, 9B, 10-18. Based on discussions with the School District, CFD No. 7 was not formed as the School District mitigation requirements were paid directly by the developer.

CFD No.	FY 2013-2014 Dwelling Units	Additional Dwelling Units Expected	Buildout Dwelling Units	Percent of Buildout as of FY 2013-2014
5	963	32	995	96.78%
6	4,025	0	4,025	100.00%
8	499	0	499	100.00%
9A	1,799	0	1,799	100.00%
9B	1,157	0	1,157	100.00%
10	2,253	71	2,324	96.94%
11	2,220	0	2,220	100.00%
12	909	0	909	100.00%
13	1,315	0	1,315	100.00%
14	2,305	47	2,352	98.00%
15	1,429	110	1,539	92.85%
16	878	31	909	96.59%
17	1,170	1,505	2,775	42.16%
18	0	3,313	3,313	0.00%
Total	37,192	5,490	42,682	87.14%

Special taxes are levied pursuant to each CFD's Rate and Method of Apportionment ("RMA"). In CFD Nos. 1-5 and 8, the special taxes are levied based upon, and not to exceed, the base rate specified. For the remaining CFDs, the special taxes are levied annually, up to the maximum rate specified, to meet the Special Tax Requirement ("STR"). As defined in the RMAs for CFD Nos. 6, 9A, 9B, and 10-18, the STR is the amount required in any fiscal year to pay for: "(i) the debt service on all outstanding Bonds, (ii) a sinking fund for the acquisition, construction, equipment and finance costs of future Facilities, (iii) Administrative Expenses, (iv) any amount required to establish or replenish any reserve funds established in connection with the Bonds, and (v) any other payments permitted by law." For fiscal year 2013-2014, the aggregate STR was approximately \$24,330,000, and the special taxes were levied in each CFD at approximately 98.04% of the applicable maximum rate in each CFD as approved by resolution passed by the School District Board of Trustees ("Board") on July 15, 2013.

The School District currently has four outstanding bond issues, on which debt service is paid semi-annually: Special Tax Revenue Bonds Series 2005A (the "2005A Bonds"), Special Tax Revenue Bonds Series 2005B (the "2005B Bonds"), Certificates of Participation ("COPs") Series 2005 Refinancing (the "2005 COPs"), and Public Financing Authority Series 2013 Refunding Revenue Bonds (the "2013 Bonds") (collectively, the "Long-Term Obligations"). According to bond documents and based on discussions with the School District, the debt service on the outstanding bonds and lease payments on the COPs are pooled obligations of the CFDs in aggregate: the special taxes for CFD Nos. 1-5, 8, 9A, 9B, 10-15 are pledged, via the Second Amended and Restated Payment and Pledge Agreement by and between Sweetwater Union High School District and CFD Nos. 1-6, 8, 9A,

9B, and 10-15 dated as of February 1, 2005, and 2013 Supplement to Second Amended and Restated Payment and Pledge Agreement by and between Sweetwater Union High School District and CFD Nos. 1-6, 8, 9A, 9B, and 10-15 dated as of October 30, 2013 (collectively, the “Pledge Agreement”), to repay the obligations. However, special taxes from all CFDs, including those not specifically pledged, are used to repay the Long-Term Obligations. Based on the official statement for the 2013 Bonds, the CFDs not specifically pledged may provide a source of special tax revenues to repay the Long-Term Obligations; accordingly, such CFDs are shown in the official statement for the 2013 Bonds with an allocable share of School District debt (based on share of total levy). In addition, based on discussions with the School District, the School District’s legal counsel, Bowie, Arneson, Wiles, and Giannone (“BAWG”) has opined that the Pledge Agreement in its current form permits special taxes from all CFDs to be used toward debt service and lease payments.

In addition to debt service, the CFD special taxes can be utilized to pay directly (i.e., “pay-as-you-go”) for new secondary school facilities, including the acquisition of land, new school construction and the equipping of new schools, as well as the leasing and equipping of relocatable (temporary) classrooms, and incidental expenses. Based on the Facilities Funding Summary Matrix prepared by BAWG as of November 3, 2014 and revised as of January 21, 2015 (the “Matrix”) and discussions with the School District, all CFDs can finance high school (grades 9-12) facilities, and all CFDs except for Nos. 8, 9A, 9B, and 10 can finance middle school (grades 7-8) facilities. A copy of the Matrix is included as **Exhibit B**.

The School District has financed a portion of a number of secondary school facilities with bond or certificate proceeds (the debt service and lease payments of which are repaid by the levy of special taxes) and pay-as-you-go special taxes. Eastlake High School was completed in 1992. Rancho Del Rey Middle School was completed in 1998. In the early 2000s, significant residential growth within the School District’s boundaries, and especially in the eastern portion of Chula Vista and the Otay Mesa area, necessitated the construction of three high schools and a middle school: San Ysidro High School, Olympian High School, Otay Ranch High School, and Eastlake Middle School. The School District anticipates that the next facilities to be financed or partially financed by the CFDs will be an additional high school (High School #14) and middle school (Middle School #12).

II. PURPOSE OF STUDY AND AREAS OF REVIEW

David Taussig and Associates, Inc. (“DTA”) has been engaged by the School District to perform a comprehensive review of the CFD revenues, expenditures, and debt service over the period 1987-2014. The purpose of the report is to provide a summary of our analysis of the CFD special tax levy and use of special tax funds, as follows:

- (i) Expenditure Permissibility Review (Fiscal Years 1986-1987 to 2013-2014):** DTA has reviewed a sampling of expenditures for permissibility during the period indicated above. Expenditures include: (i) debt service and lease payments, (ii) annual administration expenditures, (iii) payments for construction of new school facilities, (iv) payments for modernization/rehabilitation of existing school facilities, and (v) payments for furnishings/equipment. For the vast majority of expenditures related to CFD administration and school facilities, DTA has relied on the Matrix prepared by the School District’s legal counsel, and has not independently reviewed the CFD Report or

other formation documents with regards to permissibility of the authorized expenditures.

In addition to reviewing the expenditures, DTA reviewed the School District's proposed plan to allocate those expenditures to the CFDs (the "Cost Allocation Plan"). DTA's analysis of the Cost Allocation Plan is discussed in more detail in item (iv) below.

(ii) Revenue Collection Review (Fiscal Years 1994-1995 to 2013-2014): DTA has reviewed receipt of special taxes for consistency with amounts levied during the period indicated above. In addition, for fiscal year 2013-2014, DTA has reviewed the special tax rates and amounts levied for each CFD to ensure that each levy was in accordance with the applicable Rate and Method of Apportionment ("RMA"), verified that the special tax rates were applied correctly, and verified that prepayments received were calculated correctly and applied in accordance with the applicable RMA and bond documents. Finally, DTA has reviewed whether interest earned from funds held in the County pool and from inter-fund loans adhered to requirements of formation documents, School District policy, and applicable law.

(iii) Debt Issuance Review (Fiscal Years 2004-2005 to 2013-2014): DTA has reviewed School District CFD Goals and Policies, as well as School District policy, procedure, and practice regarding the four outstanding bond issues, and determined whether the School District took reasonable efforts to ensure timely payments of debt service, to exercise bond calls or refinancings when beneficial to the School District and public, and to ensure competitive interest rates at issuance or in determining if a refinancing is feasible.

(iv) Cost Allocation Plan Review: DTA has reviewed and analyzed the School District's proposed Cost Allocation Plan and developed a financial model to estimate the revenues received by each CFD and expenditures allocated to each CFD from fiscal year 1987-1988 (first year of special tax levy) to fiscal year 2013-2014.

DTA has conducted the review discussed above in light of industry standards and the Mello-Roos Act.

III. LIMITATIONS – ACCURACY OF INFORMATION

This report includes a review and analysis of School District revenue and expenditure records from DotMatrix, Quickbooks, and TrueCourse accounting systems and documents related to these records provided by the School District, the Matrix provided by School District's legal counsel, Trustee-held account statements provided by the School District, historical special tax levy information provided by the School District's CFD administrator, Special District Financing & Administration ("SDFA"), apportionment reports produced by the County of San Diego and provided by SDFA, the official statements for the bonds and COPs, and other related items. Some information was clarified or supplemented by consultations with the School District and/or SDFA. While DTA is confident that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information.

SECTION 2 EXPENDITURE PERMISSIBILITY REVIEW

The following section discusses the review of the following expenditures of special taxes held by the School District for permissibility during fiscal years 1986-1987 to 2013-2014: (i) debt service and lease payments, (ii) annual administration expenditures, (iii) construction of new school facilities, (iv) modernization/rehabilitation of existing school facilities, and (v) furnishings/equipment.

The School District provided DTA with revenue and expenditure records for the period indicated above from the DotMatrix (fiscal years 1986-1987 to 1991-1992), Quickbooks (fiscal years 1992-1993 to 2009-2010), and TrueCourse (fiscal years 2010-2011 to 2013-2014) accounting systems. At the request of the School District, DTA selected a random sample of records to review. Based on the statistical method for selecting optimal sample sizes, DTA randomly selected approximately 400 records from approximately 17,000 total records to yield a 4.84% margin of error at a 95.00% confidence level. In other words, if 92.00% of the sampled records were found to be permissible, between 87.16% (92.00%-4.84%) and 97.84% (92.00%+4.84%) of the full total would be permissible, 95.00% of the time. DTA has assumed that the subsets of annual administration and facilities expenditures are also representative samples of their respective subtotals.

Based on discussions with the School District, legal counsel reviewed all relevant CFD formation and bond documents, and summarized certain requirements of those documents with regards to annual administration expenditures, authorized facilities, term of the special tax levy, and application of State funds and general obligation bonds credits in the Matrix. As indicated in Section 1, DTA has relied on the Matrix prepared by School District's legal counsel and has not independently verified any of the Matrix determinations. In very few cases, if we did not find sufficient information in the Matrix to make a conclusion, we then reviewed the applicable CFD formation and bond documents.

I. DEBT SERVICE PAYMENTS

In order to evaluate the accuracy and timeliness of debt service payments, DTA set up a schedule of all principal and interest amounts due on the Long-Term Obligations on every payment date (March 1 and September 1) from September 1, 1990 to March 1, 2014, and confirmed such amounts due with a schedule prepared and provided by SDFA on November 10, 2014. The amounts due were based on the debt service or lease payment schedules found in the official statements for the Long-Term Obligations, as no schedule was revised from the original due to a partial refunding or bond call. DTA then verified that the total amounts transferred from School District-held accounts to US Bank (designated as Trustee for the Long-Term Obligations) accounts and payments made from US Bank accounts on each payment date were consistent with the schedule. DTA relied on the accounting records and fiscal year-end US Bank account statements provided by the School District.

DTA assumed that the bonds and COPs which have matured, been refunded, or been redeemed do not have unresolved payments. Therefore, the scope of our review and analysis has been limited to the amounts transferred from School District-held accounts to US Bank accounts from September 1, 2005 to March 1, 2014, and payments made from US Bank accounts for the Long-Term Obligations in fiscal years 2005-2006 to 2013-2014.

Analysis

DTA first reviewed and analyzed the amounts transferred from School District-held accounts to US Bank accounts on or before each payment date. DTA reviewed all account transactions and selected those described as debt service payments, grouping them according to the date. For the Quickbooks years, these included any transaction with “Debt Service Payment” in the memo field description. For the TrueCourse years, these included any transaction categorized as “Other Outgo” (pursuant to the California Schools Accounting Manual). Between September 1, 2005 and March 1, 2014, the School District transferred to US Bank the exact amount due for debt service or lease payments on six (6) dates, transferred more than the amount due on two (2) dates, and transferred less than the amount due on 10 dates. On both over-transfers, the difference was less than 1.00% of the amount due. On the under-transfers, nine (9) of the 10 had a difference less than 3.00% of the amount due, and one (1) had a difference of approximately 11.00% of the amount due. A summary of amounts due and transferred to US Bank for the four (4) most recent payment dates is shown below in **Table 2A**, and a summary of all payment dates reviewed is included in **Exhibit C**.

Table 2A
Debt Service Amounts Due and Transferred to US Bank

Debt Service Payment Date	Debt Service Amount Due	Amounts Transferred to US Bank	Percent Difference
3/1/2014	\$2,922,913	\$2,922,913	0.00%
9/1/2013	\$12,799,072	\$12,879,739	0.63%
3/1/2013	\$3,879,072	\$3,879,072	0.00%
9/1/2012	\$12,634,159	\$12,634,159	0.00%

Based on discussions with the School District, the differences between the amounts due and amounts transferred were accounted for in one or more of the following ways: (1) additional funds transferred were used toward the early redemption of the Series 2003 COPs, (2) additional funds transferred were used to increase the reserve fund(s) to the reserve requirement(s)², (3) there were sufficient funds on hand with US Bank, and/or (4) the funds transferred earned sufficient interest until the debt service or lease payment date. Based on the official statement for the 2005 COPs, the under-transfer of \$1,134,653 on the September 1, 2005 payment date was reasonably assumed to be accounted for by funds already on hand with the Trustee: sources of funds included \$2,138,576 (net of the original issue discount) on deposit with the 1997 Trustee. Based on discussions with the School District, upon receipt of the invoice from US Bank, the School District verifies such invoice against the applicable debt service or lease payment schedule and ensures that any credits or offsets listed on the invoice match the actual amounts in the US Bank-held accounts. As shown in **Exhibit C**, all debt service and lease payments were made in full. Therefore, DTA determines that sufficient funds were sent to US Bank on all payment dates reviewed.

² Based on discussions with the School District, the September 1, 2009 over-transfer was used to increase the COPs Series 2003 Reserve Fund to the reserve requirement, as US Bank had transferred out assumed excess reserve funds in March 2009 to be used toward lease payments.

Next, DTA reviewed and analyzed debt service payments made by US Bank from US Bank accounts, as reflected on fiscal year-end account statements. In each fiscal year from 2005-2006 to 2013-2014, for each of the four outstanding Long-Term Obligations, the correct amount of debt service was paid on the payment date. A summary of the debt service payments made by US Bank for the most recent fiscal year is shown below in **Table 2B**, and a summary of all payment dates reviewed is included in **Exhibit C**.

Table 2B
Fiscal Year 2013-2014 Debt Service Amounts Due and Amounts Paid by US Bank

Debt Issue	Debt Service Amount Due	Amounts Paid by US Bank	Percent Difference
Series 2005A Special Tax Revenue Bonds	\$4,576,000	\$4,576,000	0.00%
Series 2005A Special Tax Revenue Bonds	\$1,125,052	\$1,125,052	0.00%
Series 2005 COPs Refinancing	\$1,724,225	\$1,724,225	0.00%
Series 2013 Refunding Revenue Bonds	\$1,115,620	\$1,115,620	0.00%

Conclusions

Based on our review, DTA determines that sufficient funds were available (amounts transferred from the School District, along with funds on hand with US Bank) for debt service and lease payments for all payment dates from September 1, 2005 to March 1, 2014. In addition, DTA affirms that all debt service and lease payments were made by US Bank from US Bank accounts accurately and timely for the Long-Term Obligations from issuance to March 1, 2014. Section 4 will examine in more detail School District policies, procedures, and practices, regarding the debt service and lease payments.

II. ANNUAL ADMINISTRATION EXPENDITURES

In general, annual administration expenditures are limited to those expenses outlined in the formation documents - Resolutions of Formation (“ROF”), Resolutions of Intention (“ROI”), CFD Reports, and/or RMAs. DTA evaluated the permissibility of a sample of annual administration expenditures under the formation documents as summarized in the Matrix prepared by School District’s legal counsel. Based on the Matrix, the formation documents for all CFDs authorize administration expenses related to facilities, issuance of bonds, and levy and collection of the special tax. Specifically, CFD Nos. 1 and 2 authorize the “costs and expenses” of authorized facilities³; CFD Nos. 3 and 4 authorize the “expenses necessary to properly administer the levy and collection of the special tax;” CFD No. 5 has no limitation; CFD Nos. 6, 9A, 9B, and 10-15 authorize the “costs of administering the bonds and the District;” CFD No. 6 authorizes all costs associated with issuing bonds and the levy and collection of special taxes; and CFD Nos. 16-18 authorize “all incidental expenses including...determining the amount of special taxes, collection of taxes...payment of taxes.” The RMAs for CFD Nos. 1-5 and 8 do not have a definition for

³ The formation documents for CFD Nos. 1 and 2 do not explicitly define or authorize annual administration expenses. CFD Nos. 1 and 2 were formed in 1986 and 1987, respectively, at which time the use of CFDs was very new, and CFD practices were not well-established. DTA has assumed that the “costs and expenses” of authorized facilities can be broadly interpreted to include annual costs of administering the CFD formed to finance such facilities.

“Administrative Expenses.” The RMAs for the remainder of the CFDs define “Administrative Expense” as: “any cost incurred by the School District on behalf of [the CFD or CFD No. ___] related to the determination of the amount of the annual levy of the Special Tax, the collection of the Special Tax, the administration of the Bonds of [the CFD or CFD No. ___], and the other costs incurred in order to carry out the authorized purposes of [the CFD or CFD No. ___].”

Based on discussions with the School District and consistent with DTA’s review, School District staff time and materials expended on CFD administration during fiscal years 1986-1987 to 2012-2013 were not billed to the CFDs, but to the School District’s General Fund. DTA’s review for these years was thus limited to the School District’s payments to outside vendors for CFD administration, and bank service charges.

In addition, based on discussions with the School District and consistent with DTA’s review, CFD special taxes were occasionally used for CFD formation expenditures and debt obligations costs of issuance. Such expenditures were relatively small in magnitude; however, as they are not explicitly addressed in the Matrix prepared by legal counsel, DTA has excluded them from the analysis below. For completeness, they are included in the Summary of Non-Facilities Expenditures Reviewed in **Exhibit D**.

Analysis

As discussed at the beginning of Section 2, DTA reviewed a sample of 72 non-facilities expenditures from the School District’s accounting databases, and analyzed a subset of 65 annual administration expenditures. The subset included payments to: MuniFinancial; SDFA; Willdan; US Bank; GRC, LLP; BAWG; and service charges. Although not every accounting record contained a description of the expense, some descriptions included: “CFD Administration,” “Professional Services,” “Arbitrage,” and “Service Charge.”

The School District classified the sample of 72 non-facilities expenditures into one (1) of the following categories: annual administration, CFD formation, or debt obligations costs of issuance. In addition, the School District provided documentation or clarification for records which were not easily confirmed as annual administration expenditures. The aforementioned documentation included an invoice from GCR, LLP for legal services rendered in March 2011, an invoice from BAWG for legal services rendered in July 2013, and an invoice from Willdan for the fiscal year 1989-1990 calculation of special tax levy for CFD Nos. 1, 2, and 4. Based on discussions with the School District, one (1) expense dated June 29, 2014 of \$9,093 described as “To Allocate 10% of CFO & Sr. Exec. Asst. Salaries & Benefits to Fd 49 [Community Facilities Fund],” and two (2) expenses dated June 15, 2014 of \$60 each described as “To Correct April and May 2014 Benefits Cost Ctr for Budget Analyst (R.Travers),” were the allocation of certain School District finance department staff salaries to the CFDs. As noted above, fiscal year 2013-2014 was the only year within the review period that School District staff time and materials expended on CFD administration was billed to the CFDs.

A summary of the non-facilities expenditures reviewed is included as **Exhibit D**.

Conclusions

Based on our review of a sample of payees and certain invoices, DTA believes it is reasonable to assume that the School District's annual administration expenses were in accordance with the CFD formation documents, and further, that such expenses were standard and regular expenses related to CFD administration. In addition, because the School District allocated to the General Fund staff time and materials expended on CFD administration for fiscal years 1986-1987 to 2012-2013 that could have justifiably been charged as CFD administration expenses, the School District may have actually underestimated their total CFD administration expenses for such years.

DTA recommends that, as the School District reviews expenditures in detail to implement the Cost Allocation Plan, the School District reimburses the applicable CFDs for any non-CFD expenses incurred, if any. It is DTA's understanding that the School District already has purchasing policies and procedures in place to properly account for expenditures; therefore, DTA recommends adherence to such policies and procedures in the future.

III. FACILITIES EXPENDITURES

The Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") authorizes CFD special taxes to finance a broad range of facilities: the purchase, construction, expansion, improvement, or rehabilitation of any real or other tangible property with an estimated useful life of five years or longer, as well as other expenses that are directly related to the purchase, construction, expansion, or rehabilitation of any real or tangible property. In addition, the facilities need only to provide benefit to the students generated within the CFD, and do not need to be physically located within the CFD.

Similar to administration expenses, the specific eligible facilities for each CFD are limited to those authorized in the formation documents. DTA evaluated the permissibility of a sample of facilities expenditures under the formation documents as summarized in the Matrix prepared by School District's legal counsel. Based on the Matrix, all CFDs are authorized to fund high school (grades 9-12) facilities, and CFD Nos. 1-6 and 11-18 are authorized to fund middle school (grades 7-8) facilities. Of the CFDs that can fund high school facilities, all can fund new construction of high school facilities, only CFD Nos. 1-6, 9A, 10, 13, and 16-18 can fund modernization/rehabilitation of high school facilities, and all can fund furnishings/equipment for high school use. Of the CFDs that can fund middle school facilities, all can fund new construction of middle school facilities, only CFD Nos. 1-6, 13, and 16-18 can fund modernization/rehabilitation of middle school facilities, and all can fund furnishings/equipment for middle school use. A summary of the facilities authorized by CFD is shown below in **Table 2C**. All CFDs except for CFD No. 5 are not limited by the formation documents as to the amount of authorized facilities that can be financed with bond construction and special tax proceeds⁴; CFD No. 5 is limited to "one High School with an enrollment of approximately 2,174 students and one Junior High School with capacity of approximately 978 students." Based on discussions with the School District, CFD No. 5 funds portions of high school and middle school facilities at various sites (as opposed to a single high school and single middle

⁴ However, the CFDs are limited by Resolutions Declaring Necessity to Incur a Bonded Indebtedness as to the amount of bonds they can issue, which affects the amount of facilities that can be financed with bond construction proceeds. These limitations are discussed in further detail in Section 5.

school), as the School District’s open enrollment policy allows the students generated by the CFD development to attend schools of their choice.

**Table 2C
 Facilities Authorized by CFD**

CFD No.	High School Facilities			Middle School Facilities		
	New Construction	Modernization/ Rehabilitation	Furnishings/ Equipment	New Construction	Modernization/ Rehabilitation	Furnishings/ Equipment
1	X	X	X	X	X	X
2	X	X	X	X	X	X
3	X	X	X	X	X	X
4	X	X	X	X	X	X
5	X	X	X	X	X	X
6	X	X	X	X	X	X
8	X		X			
9A	X	X	X			
9B	X		X			
10	X	X	X			
11	X		X	X		X
12	X		X	X		X
13	X	X	X	X	X	X
14	X		X	X		X
15	X		X	X		X
16	X	X	X	X	X	X
17	X	X	X	X	X	X
18	X	X	X	X	X	X

As noted previously, DTA’s review was limited to a sample of facilities expenditures from the accounting databases provided by the School District. Thus, only the use of pay-as-you-go special taxes, not the use of construction proceeds from the Long-Term Obligations, was reviewed. In addition, DTA reviewed facilities expenditures incurred by all CFDs under the actual allocation as shown in the accounting databases; certain facilities expenditures are expected to be reallocated amongst the CFDs as a result of the implementation of the Cost Allocation Plan. DTA’s evaluation of the permissibility of facilities expenditures applies only under the actual allocation. Finally, without having reviewed all of the transactions, DTA is unable to determine whether the total facilities expenditures from a given CFD exceed the limit for such CFD under the actual allocation. DTA relied on the Matrix as to facilities authorized, and did not separately review the formation documents.

Analysis

As discussed at the beginning of Section 2, DTA reviewed and analyzed a sample of 62 facilities expenditures from the School District’s accounting databases. Based on the descriptions provided and additional documentation for certain transactions provided by the School District, DTA

classified the expenditures to New Construction, Rehabilitation/Modernization, or Furnishings/Equipment. Each class of expenditures is analyzed separately below. A summary of the facilities expenditures reviewed is included as **Exhibit E**.

i. New Construction

Of the sample of 62⁵ facilities expenditures, 17 were related to new construction of high school facilities, five (5) were related to the new construction of middle school facilities, 24 were related to both, and one (1) was assumed to be related to new construction of high school facilities based on the date, but was unable to be definitively allocated due to lack of documentation. Approximately half of the 47 expenditures for new construction were incurred by CFD No. 1. Based on documentation provided by the School District, such as invoices, contracts, and receipts, the expenditures included:

- Land acquisition costs for San Ysidro High School (High School #12),
- Geotechnical studies for a proposed high school site in Otay Mesa,
- Field topographic survey for the Observatory and Amphitheatre at Eastlake High School,
- Legal services relating to the Technology Improvement Project,
- Division of the State Architect inspection services for various improvements at Eastlake High School,
- Professional services related to legislative advocacy and consulting for school finance and state funding,
- Professional services related to state funding applications for new construction and construction audits,
- Architect's fees for Rancho del Rey Middle School,
- Legal fees relating to site acquisition for Rancho del Rey Middle School,
- Interim housing for Rancho del Rey Middle School,
- Worker's compensation and general liability insurance for Otay Ranch High School (High School #11),
- Geotechnical, planning, and engineering services for Otay Mesa High School
- DSA plan check fees for Otay Ranch High School (High School #11),
- Construction management services at Otay Ranch High School (High School #11).

The School District was unable to provide documentation for one (1) expense dated August 28, 1987 in the amount of \$14,220 described as "Assumed Construction."

In addition, DTA reviewed eight (8) payments to the School District described as payroll uploads or salaries for School District staff. Based on discussions with the School District, six (6) payroll uploads occurring between June 23, 2013 and June 22, 2014 were salaries, or portions of salaries, for staff for in-house planning and construction oversight services. For one (1) expense dated June 22, 1998 in the amount of \$16,319 described as "For 50%

⁵ Although 62 expenditures categorized or appearing to be related to school facilities were reviewed, only 56 were related to actual facilities. Six (6) of the 62 expenditures were software-generated entries for cancelled invoices.

of Margie/Andy salary,” and (1) expense dated June 17, 2005 in the amount of \$235,631 described as “Reimb. to Cover Salaries & Benefits for 04-05 100% Katy, 50% Patty, Lisa, Susan,” the School District provided personnel listings from 1998 and 2005 confirming that the aforementioned staff worked in Planning and Construction Oversight.

Based on DTA’s review, the sample of new construction of high school facilities and related incidental expenses were permissible under CFD Nos. 1-8, 9A, 9B, 10, 11, 14, and 17 which incurred the expenses. The sample of new construction of middle school facilities and related incidental expenses were permissible under CFD Nos. 1-4 which incurred the expenses. The sample of professional services related to legislative advocacy, state funding applications, and in-house planning and construction were incurred by CFD Nos. 1-3, 5-7, 9A, 9B, 10, 11, 14, and 17; based on discussions with the School District, professional services related to legislative advocacy and state funding applications were allocated generally to all CFDs, and in-house planning and construction were allocated to whichever CFD had funds at the time payments were due. As such services pertained to both high school and middle school facilities, and there was no easy way to discern which portion of the monthly expenses was attributable to high school versus middle school facilities, DTA believes that such allocation to all CFDs was permissible and reasonable.

ii. Rehabilitation/Modernization

Of the sample of 62 facilities expenditures, three (3) were related to modernization/rehabilitation of existing high school facilities and three (3) were related to the modernization/rehabilitation of existing middle school facilities. All six (6) were incurred by CFD No. 1. Based on invoices provided by the School District, the expenditures included:

- Design services for upgrading the heating, ventilating, and air conditioning system at Bonita Vista High School,
- Services for post indicator valve for fire sprinkler system at Eastlake High School,
- Labor and materials to remove existing flooring and install new at Eastlake Middle School,
- Labor and materials to install moisture barrier and vinyl composition tile at Eastlake Middle School,
- Labor and materials to install vinyl composition tile at Eastlake Middle School

Based on DTA’s review, the sample of modernization/rehabilitation of high school and middle school facilities were permissible under CFD No. 1 which incurred the expenses.

iii. Furnishings/Equipment

Of the sample of 62 facilities expenditures, two (2) were related to furnishings/equipment for high school use, and incurred by CFD No. 1. Based on invoices provided by the School District, the expenditures included:

- Lease of 30’ ramps for Eastlake High School

Based on DTA's review, the sample of furnishings/equipment for high school use were permissible under CFD No. 1 which incurred the expenses.

Based on documentation provided by the School District, one (1) of the 62 facilities expenditures incurred by CFD No. 1 dated October 9, 1998 in the amount of \$44,833 was for science furniture and equipment, including overhead projectors, VCRs, laser disc players, scales, and glass cylinders, delivered to Chula Vista High School. The School District was unable to furnish sufficient documentation to indicate that the furniture and equipment was used at an eligible high school serving students generated by the CFDs. For purposes of our analysis, DTA has conservatively assumed such facilities expenditure was unrelated to the CFD program.

Conclusions

Based on our review of a sample of facilities expenditures, documentation related to those expenditures, and discussions with the School District, DTA believes it is reasonable to assume that the School District's facilities expenditures under the actual allocation were in accordance with the Mello-Roos Act and the CFD formation documents. Although the School District was not able to furnish documentation for one payment related to new construction from 1987, DTA believes that the lack of documentation is not noteworthy considering the date and magnitude of the expense.

DTA recommends that the School District reimburse CFD No. 1 for the non-CFD expense it incurred, and, as the School District reviews expenditures in detail to implement the Cost Allocation Plan, to reimburse the applicable CFDs for any other non-CFD expenses incurred. It is DTA's understanding that the School District already has purchasing policies and procedures in place to properly account for expenditures; therefore, DTA recommends adherence to such policies and procedures in the future.

SECTION 3 REVENUE COLLECTION REVIEW

The following section discusses the review of special tax revenue deposits from fiscal years 1994-1995 to 2013-2014, and of the special tax levy, efforts to collect delinquent taxes, interest earnings, and prepayments during fiscal year 2013-2014.

I. SPECIAL TAX REVENUES

In order to review of special tax revenue deposits from fiscal years 1994-1995 to 2013-2014, DTA compared special tax amounts levied to amounts apportioned by the County, and to amounts deposited to School District accounts. DTA relied on fiscal year-end apportionment reports produced by the County and provided by S DFA, and data from the Quickbooks and TrueCourse accounting systems provided by the School District.

Analysis

First, DTA created a schedule of special tax amounts levied across all CFDs from fiscal years 1994-1995 to 2013-2014, based on the total receivables amounts from the fiscal year-end ACAP-234A Apportionment Summary Reports produced by the County. We then compared the amounts levied to the current secured amounts received and distributed to date from the same reports, to arrive at the fiscal year-end delinquency rates.

The fiscal year-end delinquency rates across all CFDs were low, ranging from 0.83% in fiscal year 2013-2014 to a high of 7.39% in fiscal year 2007-2008. There were a total of four (4) out of the 20 years reviewed in which the fiscal year-end delinquency rates exceeded 5.00%, fiscal years 2004-2005, and 2006-2007 to 2008-2009. Based on DTA's experience, the higher delinquency rates in these years coincide with declining housing values, and were consistent with those in CFDs throughout Southern California at the time. When special tax amounts received in a given fiscal year are added to delinquent special tax amounts received in the following year, such total amounts received deviate little – in most cases, less than 1.00% - from the total amounts levied. Based on DTA's experience, this result is consistent with special tax collection in other CFDs: most special tax payments are made in the year due or within one year thereafter. DTA will further discuss the School District's efforts to pursue delinquent special taxes in Section 3.III below. A summary of special tax revenue verification for the CFDs in aggregate for the last five (5) years is shown below in **Table 3A**, a summary for all years reviewed is included as **Exhibit F**.

Table 3A
Total Special Taxes Levied & Received for All CFDs

Fiscal Year	Amount Levied	Current Secured Apportioned	Percent Difference
2013-2014	\$24,328,419	\$24,126,922	-0.83%
2012-2013	\$24,298,918	\$24,044,089	-1.05%
2011-2012	\$23,561,689	\$23,171,769	-1.65%
2010-2011	\$22,858,138	\$22,472,222	-1.69%
2009-2010	\$22,233,458	\$21,401,397	-3.74%

Next, DTA randomly selected two CFDs in every fiscal year from 1994-1995 to 2013-2014, and created a schedule of special tax amounts levied by CFD, based on the opening charge amounts from the fiscal year-end ACAP-234A Apportionment Detail Summary Reports produced by the County. We then compared the amount levied by the selected CFDs to the total amounts received for such CFD and distributed to date, as of the last apportionment. Because the total receipts in a given year include current secured special taxes, plus delinquent secured and unsecured special taxes, plus penalties and interest on delinquent special taxes, it is reasonable and likely that total receipts exceed total special tax amounts levied in most years. Finally, we compared the total special receipts for each selected CFD for the fiscal year to the total special tax amounts deposited to the School District account for the CFD during the fiscal year. Because a CFD's final apportionment for a fiscal year is deposited to the School District account for that CFD in the next fiscal year, the total apportionment for a fiscal year is unlikely to be exactly equal to the total deposits for such fiscal year.

Of the 40⁶ CFD levies reviewed, 27 saw a difference of less than 1.00% between receipts and deposits, six (6) saw a difference of between 1.00% and 2.00%, and the remaining seven (7) saw a difference of greater than 2.00%. Of the seven (7), three (3) of the large discrepancies were due to the timing of the final apportionment, which is deposited at the start of the following fiscal year. One (1) of the discrepancies was due to the deposit of a prepayment. Based on discussions with the School District, the remaining three (3) discrepancies were accounted for as follows: one (1) CFD had interest earnings miscoded as special tax revenues, and two (2) CFDs did not receive certain apportionments, or received apportionments for other CFDs, due to County error. Based on discussions with the School District, the School District will transfer the funds owed between CFDs due to County error during fiscal year 2014-2015. A summary of special tax revenue verification for a sampling of CFDs for the last five (5) years is shown below in **Table 3B**, a summary of all years reviewed is included as **Exhibit F**.

Table 3B
Special Taxes Apportioned and Deposited by CFD

Fiscal Year	CFD No.	Amount Apportioned	Amounts Deposited	Percent Difference
2013-2014	4	\$1,315,527	\$1,323,220	0.58%
2012-2013	12	\$720,362	\$718,725	-0.23%
2011-2012	3	\$2,370,153	\$2,376,645	0.27%
2010-2011	1	\$7,242,943	\$7,288,122	0.62%
2009-2010	11	\$1,530,276	\$1,531,595	0.09%

Conclusions

DTA's review of the special tax amounts levied, apportioned, and deposited, both in aggregate and in a sampling of CFDs, concludes that the aforementioned amounts are largely consistent with each

⁶ The fiscal year 1999-2000 CFD No. 10 levy was not part of the sample reviewed. In fiscal year 1999-2000, CFD No. 10 levied \$22,534 on one parcel, and received \$76 in total apportionments, \$0 of which was current secured taxes, for the year, for a difference (or current year delinquency rate) of 100%. As discussed further in Section 5, DTA believes that this particular result was an anomaly and should not be expected to occur in the future.

other, and to the extent reasonably expected based on our experience with CFDs in the Southern California area and elsewhere. DTA believes that it is reasonable to assume that all of the special taxes received by the County were apportioned to the School District, and most were correctly deposited to the CFDs. Based on discussions with and information provided by the School District, beginning in fiscal year 2013-2014, the School District has implemented a policy of verifying that, with each apportionment from the County, the amount deposited to each CFD matches the accompanying apportionment detail summary report. Therefore, DTA does not believe further action with regards to apportionments is required at this time.

II. SPECIAL TAX LEVY

DTA reviewed the fiscal year 2013-2014 special tax levy for each CFD for consistency with the applicable RMA, and verified that the fiscal year 2013-2014 special tax rates were correctly applied to each parcel. The fiscal year 2013-2014 maximum special tax rates and method of apportionment for each CFD were based on the applicable RMA, and fiscal year 2013-2014 actual special tax rates were extracted from the fiscal year 2013-2014 Special Tax Levy Report prepared by SDFA and provided by the School District. The RMAs for each CFD were provided by the School District. The capitalized terms used but not defined herein have the meanings assigned to them in the RMAs.

With respect to the fiscal year 2013-2014 special tax levies, DTA reviewed only the calculation of the fiscal year 2013-2014 maximum special tax rates and the method of apportionment for each CFD under the applicable RMA. We did not verify the substance of the special tax requirements: that the amounts levied for administration expenses were consistent with actual amounts expended, or that the amounts levied for pay-as-you-go school facilities were justified by actual or anticipated school facilities needs.

For the verification of the application of the fiscal year 2013-2014 special tax rates, SDFA provided DTA with the following for each parcel: assessor's parcel number, CFD designation, permit date, taxable building square footage, acreage, and dwelling type/land use. DTA relied on the parcel data provided by SDFA and did not independently verify said data. Therefore, we do not express an opinion as to its accuracy.

Finally, based on discussions with the School District, the School District has issued general obligation ("GO") bonds under Proposition BB in the amount of \$187 million, a portion of the proceeds of which have financed school facilities within the CFDs or providing benefit to the CFDs. To prevent property owners within the CFDs from paying for such school facilities twice, the School District has reduced the amount of the levy on certain parcels every applicable year by the amount such parcel is expected to pay in ad valorem taxes for the GO bonds (the "GO Bond Offset"). For fiscal year 2013-2014, the GO Bond Offset for each parcel was equal to 0.030560% of the parcel's net assessed value as provided by the County. All DTA review, analysis, and discussion of the special tax rates and special tax levy herein is exclusive of the GO Bond Offset amount.

Analysis

Based on the fiscal year 2013-2014 Special Tax Levy Report, all Category I or Developed Property (generally, property with a building permit) in all CFDs, and Category II Property (property within a

final map) in CFD No. 1, was levied at approximately 98.04% of the applicable maximum rate as approved by Board resolution on July 15, 2013. The fiscal year 2013-2014 actual special tax rates (for property developed in fiscal year 2012-2013 or prior) were the same as the fiscal year 2012-2013 actual special tax rates, exclusive of any GO Bond Offsets.

The RMAs for the CFDs set the base or maximum rates and allow for the following escalators: (i) prior to the issuance of a building permit for a particular parcel, the increase in the Building Cost Index (“BCI”) for the Los Angeles Area, but not less than 2.00% for all CFDs but CFD No. 17 (land component)⁷, which is not less than 4.00%, and for CFD Nos. 4 and 8, not more than 7.00% and 15.00%, respectively; (ii) following issuance of a building permit, subsequent to the first year of levy, for CFD Nos. 1-5 and 8, up to 2.00% annually, and for the remaining CFDs, 2.00% annually. This two-tier escalator results in different maximum tax rates for different parcels, depending on the date of the associated building permit. Based on discussions with SDFA, SDFA has used the BCI as of June in every year to calculate the escalator prior to building permit, as CFD Nos. 6, 9A, 9B, and 10-18 specify May 31, and CFD Nos. 1-5 and 8 specify June 30, the BCI at which date is not available during the tax-setting process. A summary of the fiscal year 2013-2014 maximum special tax rates for property first taxed in fiscal year 2013-2014 is shown below in **Table 3C**. DTA has verified that the fiscal year 2013-2014 maximum special tax rates listed in the Special Tax Levy Report⁸ are correct⁹. A summary of the calculation of the fiscal year 2013-2014 maximum special tax rates is included in **Exhibit G**.

Table 3C
FY 2013-2014 Maximum and Actual Special Tax Rates by CFD

CFD No.	FY 2013-2014 Maximum Special Tax Rate	FY 2013-2014 Actual Special Tax Rate	Percent of Maximum
1	\$663.55	\$650.54	98.04%
2	\$673.75	\$660.54	98.04%
3	\$0.479/sq. ft.	\$0.470/sq. ft.	98.04%
4	\$0.479/sq. ft.	\$0.470/sq. ft.	98.04%
5	\$0.510/sq. ft.	\$0.500/sq. ft.	98.04%
6	\$0.4696/sq. ft.	\$0.4603/sq. ft.	98.04%
8	\$0.327/sq. ft.	\$0.321/sq. ft.	98.04%
9A	\$877.63	\$860.42	98.04%
9B	\$421.46	\$413.20	98.04%

⁷ The CFD No. 17 maximum tax rate is broken into two components: Land and Other. The Land component escalates by the increase in BCI, not to exceed 4.00%, and the Other component escalates by the increase in BCI, not to exceed 2.00%.

⁸ The fiscal year 2013-2014 maximum special tax rate for CFD No. 18 is not listed in the Special Tax Levy Report; however, for completeness, DTA has included it in Table 3C and Exhibit G.

⁹ The fiscal year 2013-2014 maximum special tax rate for CFD No. 4 listed in the Special Tax Levy Report is \$0.475 per square foot. Based on discussions with SDFA, the correct rate is \$0.479 per square foot, and will be reflected on future Special Tax Levy Reports. There has been no development in CFD No. 4 since 2003; thus, no parcels have been incorrectly assessed.

CFD No.	FY 2013-2014 Maximum Special Tax Rate	FY 2013-2014 Actual Special Tax Rate	Percent of Maximum
10	\$0.5553/sq. ft.	\$0.5444/sq. ft.	98.04%
11	\$0.4818/sq. ft.	\$0.4723/sq. ft.	98.04%
12	\$0.3979/sq. ft.	\$0.3723/sq. ft.	98.04%
13	\$0.3786/sq. ft.	\$0.3712/sq. ft.	98.04%
14	\$0.4855/sq. ft.	\$0.4760/sq. ft.	98.04%
15	\$0.5108/sq. ft.	\$0.5008/sq. ft.	98.04%
16	\$0.7953/sq. ft.	\$0.7797/sq. ft.	98.04%
17	\$0.5058/sq. ft.	\$0.4959/sq. ft.	98.04%
18	\$0.5564/sq. ft.	\$0.5455/sq. ft.	98.04%

With regards to the method of apportionment, the RMAs for CFD Nos. 1-5 and 8 do not include a method of apportionment, but instruct that the “tax rates shall be based upon and not exceed the annual base tax.” The RMAs for CFD Nos. 6, 9A, 9B, 11-16, and 18 instruct the Board to levy “on each Assessor’s Parcel of Developed Property up to the Annual Maximum Special Tax...to fund the Annual Special Tax Requirement.” The RMA for CFD No. 17 instructs the Board to levy the special tax “on all Developed Property...at a rate of 100% of the Annual Maximum Special Tax.” The RMA for CFD No. 10 does not include a method of apportionment; however, the School District has levied the special tax in CFD No. 10 in the same manner as the other CFDs. In all of the RMAs but the RMA for CFD No. 10, should the special tax levied on property with a building permit¹⁰ (Category I Property in CFD Nos. 1-5 and 8 and Developed Property in CFD Nos. 6, 9A, 9B, 11-16, and 18) be insufficient, the special tax may also be levied on property within a final map or without a building permit (Category II and III Property in CFD Nos. 1-5 and 8 and Undeveloped Property in CFD Nos. 6, 9A, 9B, 11-16, and 18). The RMAs for CFD Nos. 6, 9A, 9B, and 10-18 define the Annual Maximum Special Tax as the maximum amount that can be levied, escalated as discussed in the prior paragraph. The RMAs for CFD Nos. 6, 9A, 9B, and 10-18 define the “Annual Special Tax Requirement” as “the amount required in any Fiscal Year to pay for: i) the debt service on all outstanding Bonds, ii) a sinking fund for the acquisition, construction, equipment and finance costs of future Facilities, iii) Administrative Expense, iv) any amount required to establish or replenish any reserve funds established in connection with the Bonds, and v) any other payments permitted by law.” Based on DTA’s review, the CFDs are permitted to levy on both Developed and Undeveloped Property at up to 100% of the applicable maximum rates (assuming that the Annual Special Tax Requirement is justified), and the actual fiscal year 2013-2014 levy is within this limitation.

Finally, based on parcel data provided by SDFA, DTA programmatically applied the fiscal year 2013-2014 maximum and actual tax rates to each parcel in each CFD based on the original tax rates and escalations specified in the applicable RMA. Of the approximately 31,000 parcels for which special taxes were levied in fiscal year 2013-2014, DTA found discrepancies between the actual and expected (based on the applicable RMA) amounts levied for a total of eight (8) parcels: two (2) age-

¹⁰ Notwithstanding the varying RMA definitions, for simplicity, in this report property with a building permit will be considered “Developed Property,” and property without a building permit will be considered “Undeveloped Property.”

restricted units in CFD No. 6 and six (6) residential units in CFD No. 9A. As of the date of this report, SDFA has indicated that the two (2) parcels in CFD No. 6 were levied less than the amounts due in fiscal year 2013-2014, and is researching the discrepancies for the six (6) parcels in CFD No. 9A.

Conclusions

Based on our review of the fiscal year 2013-2014 maximum special tax rates, actual special tax rates, and total amount levied for each CFD, DTA affirms that the fiscal year 2013-2014 special tax levy for each CFD was consistent with the applicable RMA. While the special tax may be levied at up to 100% of the applicable maximum special tax rates as discussed above, and special tax revenues have been spent on legally permissible expenditures as discussed in Section 2, it is important that the School District be able to relate the levy for pay-as-you-go school facilities (approximately \$9.7 million in fiscal year 2013-2014) and any balances held in CFD funds (approximately \$133.7 million at the close of fiscal year 2013-2014), to anticipated school facilities needs. Therefore, DTA recommends that the School District, when calculating the special tax levy in each year, identify and document anticipated CFD-eligible school facilities needs for such year.

Based on our review of the fiscal year 2013-2014 special tax rates applied to each parcel, DTA believes that the special tax rates were accurately applied to the vast majority of parcels. DTA recommends that SDFA, upon reviewing and researching the parcel data for the eight (8) parcels with levy discrepancies, work with the School District to make necessary corrections for fiscal year 2015-2016 and future years.

III. EFFORTS TO COLLECT DELINQUENT SPECIAL TAXES

As discussed in Section 3.1, the School District's fiscal year-end delinquency rates have been relatively low over the past 20 years, ranging from 0.83% in fiscal year 2013-2014 to a high of 7.39% in fiscal year 2007-2008. In our review of the efforts to collect delinquent special taxes, DTA reviewed: (i) fiscal year 2013-2014 delinquency rates as of approximately June 30, 2014, (ii) prior year delinquency rates as of June 30, 2014, and demand letters sent in fiscal year 2013-2014, and (iii) foreclosure covenants, and any School District actions with regards to judicial foreclosure as mandated. DTA relied on apportionment reports and delinquency reports prepared by the County and provided by the SDFA, the bond covenants included in the Pledge Agreement, and correspondence to property owners provided by the School District.

Analysis

i. Fiscal Year 2013-2014 (Current Year) Delinquency Rates as of June 30, 2014

DTA prepared a summary report of fiscal year 2013-2014 fiscal year-end delinquency rates by CFD, based on the total current secured receivable and total distributed to date amounts from the ACAP-234A Apportionment Detail Summary Reports dated July 14, 2014 produced by the County. Based on the report, all 18 CFDs had a fiscal year-end delinquency rate of less than 2.00%, with 14 of the 18 less than 1.00%. The aggregate delinquency rate was 0.83%, as shown below in **Table 3D**. A summary of the fiscal year 2013-2014 fiscal year-end delinquency rates by CFD is included in **Exhibit E**. The low individual and aggregate

delinquency rates demonstrate that sufficient special taxes are collected in each year, and the School District does not have any issues with delinquencies.

Table 3D
FY 2013-2014 Fiscal Year-End Delinquency Rate

CFD No.	FY 2013-2014 Amount Levied	Amount Apportioned as of 7/14/14	Percent Difference
All	\$24,328,419	\$24,126,922	-0.83%

ii. Prior-Year Delinquency Rates as of June 30, 2014

DTA prepared a summary report of the fiscal year 2013-2014 and prior-year delinquency rates as of July 23, 2014 by CFD, based on the Defaulted Unredeemed Delinquent Fixed Charge Special Assessment Parcels by Fund Report prepared by the County on July 23, 2014 and provided by SDFEA. Based on the report, there were only a handful of long-term delinquencies (six (6) or more years): one (1) parcel was delinquent for fiscal year 2004-2005 in the amount of \$408, and three (3) parcels were delinquent for fiscal year 2007-2008 in the amount of \$1,152 (as of July 23, 2014). Going back just one (1) year to fiscal year 2012-2013, 112 parcels were delinquent in the amount of \$69,432, which equates to a delinquency rate of 0.29%, and a delinquent parcel rate of 0.36%. Prior-year delinquency amounts and rates as of July 23, 2014 for the past five (5) years are shown on the following page in **Table 3E**, and a summary of all years is included in **Exhibit H**. Consistent with the prior section, the low aggregate prior-year delinquency rates demonstrate that the School District does not have any issues with delinquencies, and further, that the School District takes sufficient action to collect delinquent special taxes.

Table 3E
Prior-Year Delinquency Rates as of July 23, 2014

	Fiscal Year 2008-2009	Fiscal Year 2009-2010	Fiscal Year 2010-2011	Fiscal Year 2011-2012	Fiscal Year 2012-2013
Total Delinquency	\$9,402	\$17,243	\$21,923	\$39,053	\$69,432
Total Levy	\$21,543,275	\$22,233,458	\$22,858,138	\$23,561,689	\$24,298,918
Total Delinquency Rate	0.04%	0.08%	0.10%	0.17%	0.29%

iii. Foreclosures

Based on the Pledge Agreement, the School District has covenanted for the benefit of the owners of the Long-Term Obligations that it will monitor delinquencies and “diligently prosecute and pursue...foreclosure proceedings” by October 1 of each year, as follows:

- (1) The School District will pursue foreclosure against any one parcel with an aggregate special tax delinquency equal to or greater than \$5,000, and

- (2) The School District will pursue foreclosure against all parcels if the aggregate special tax collection in a given year is less than 95.00% of the total levy for such year.

Based on documentation provided by and discussions with the School District and SDFA, the School District and SDFA took the following actions in fiscal year 2013-2014 with regards to the property owners that met the foreclosure threshold for special tax delinquencies for fiscal year 2012-2013 and prior years (although the Pledge Agreement specifies parcels, the School District has proactively researched aggregate delinquencies by owners): On September 12, SDFA sent notices of delinquency to eight (8) property owners of 21 parcels in CFD Nos. 1, 3, 6, 10, and 17 that met the foreclosure threshold as of August 1, 2013, and requested that the property owners remit payment of their property tax bill to the County or the School District. As a result of the letters, four (4) property owners paid their delinquent taxes as of November 15, 2013. Pursuant to Resolution No. 3928 adopted by the Board on September 21, 2009 which authorizes the Chief Financial Officer of the School District to authorize the commencement of foreclosure, on November 15, 2013, Superintendent Edward Brand, Ed.D. signed a certificate authorizing the commencement of foreclosure proceedings relating to the remaining four (4) property owners. The School District's foreclosure counsel, BAWG, is pursuing foreclosure action against the four (4) property owners, and those property owners are still delinquent as of October 1, 2014. DTA believes that the School District is in compliance with the foreclosure covenant in the Pledge Agreement, having taken reasonable measures to pursue special tax delinquencies for property owners exceeding the foreclosure threshold, and commencing foreclosure when necessary.

Conclusions

Based on DTA's review of the fiscal year 2013-2014 fiscal year-end delinquency rates, prior-year delinquency rates as of July 23, 2014, and actions taken by the School District with regards to delinquencies and foreclosures, DTA believes the School District took reasonable and sufficient efforts to collect delinquent special taxes in fiscal year 2013-2014. Given the low delinquency rates both by CFD and in aggregate across all CFDs, DTA does not believe that additional action is required at this time.

IV. INTEREST PAYMENTS

Based on discussions with the School District, the School District's CFD accounts earn interest from two (2) sources: (i) the County pool, and (ii) inter-fund loans. All CFD special taxes are apportioned by the County and held in School District CFD accounts in the County pool. For the DotMatrix and Quickbooks years (fiscal years 1986-1987 to 2009-2010), funds for administration or facilities expenditures were transferred to Union Bank accounts, from which checks for said expenditures were written. Funds held in the County pool earn interest quarterly according to a schedule of rates set by the County. On occasion, the CFDs make short-term loans from the funds held in the County pool to other School District funds to meet cash flow needs. Such loans are approved annually and reported monthly to the Board, and earn interest quarterly, at rates equal to those of the County pool. DTA reviewed the interest earnings deposited for the 1st through 4th quarters of fiscal year 2013-2014, as shown in the TrueCourse accounting database, and evaluated whether the inter-

fund loans were in compliance with Education Code Section 42603 governing short-term, inter-fund borrowing. DTA relied on information from the TrueCourse accounting database, loan information for a sample of CFDs provided by the School District, and schedule of County pool and inter-fund loan interest rates provided by the School District.

Analysis

i. County Pool

As special taxes were received for every CFD in each quarter during fiscal year 2013-2014, every CFD should earn interest from the County pool, and the deposits of such interest should appear as transactions in the TrueCourse accounting database. Based on DTA's review of the TrueCourse accounting database, at various points during the year, on or around January 31, 2014, February 28, 2014, March 31, 2014, and June 30, 2014, amounts described as "2013-14 __ Qtr Interest County" or similar were deposited to the individual CFD accounts. Therefore, DTA affirms that interest from the County pool was deposited to the CFD accounts in a timely manner. DTA has not verified the amounts, as we believe it is reasonable to assume that the County accurately calculated the interest owed to agencies for which it holds funds.

ii. Inter-Fund Loans

DTA reviewed data relating to a random sample of loans made by CFDs made during fiscal year 2013-2014 provided by the School District, and verified the calculation of quarterly interest owed. We then compared the amount of interest owed to the actual amount of interest deposited as shown in the TrueCourse accounting system. The interest on a loan was calculated by multiplying the weighted daily average balance of the loan during the quarter, by the applicable quarterly interest rate. Based on DTA's review of the sample of loans, the interest deposited to each CFD's account for the quarter was exactly equal to the interest owed for the quarter. A summary of the inter-fund interest verification for three (3) quarters is shown below in **Table 3F**, and a summary for the fiscal year is included as **Exhibit I**.

Table 3F
Fiscal Year 2013-2014 Inter-Fund Quarterly Interest

Quarter	CFD No.	Interest Owed	Interest Deposited	Percent Difference
1 st Quarter	2	\$540	\$540	0.00%
2 nd Quarter	13	\$76	\$76	0.00%
3 rd Quarter	13	\$79	\$79	0.00%

DTA reviewed the inter-fund loans and interest payments in light of Education Code Section 42603, which reads, in part: "moneys held in any fund or account may be temporarily transferred to another fund or account of the district for payment of obligations... Amounts transferred shall be repaid either in the same fiscal year, or in the following fiscal year if the transfer takes place within the final 120 calendar days of a fiscal year." Based on the

sample of loans provided by the School District, the inter-fund loans were liquidated from quarter to quarter, that is, no loan was outstanding for more than one quarter. This result is consistent with the movement of funds largely for cash flow purposes, as discussed with the School District. Although DTA did not review all inter-fund loans made during fiscal year 2013-2014, we believe it is reasonable to assume that the School District's inter-fund loans did not violate Education Code Section 42603.

Conclusions

Based on DTA's review of County pool interest earnings, and a sample of inter-fund loans and interest earnings during fiscal year 2013-2014, we believe that interest earnings were accurately calculated and deposited to School District CFD accounts in a timely manner. Furthermore, the inter-fund loans were in compliance with Education Code Section 42603, and, since all loans were repaid with interest in the same fiscal year, DTA does not believe such loans impacted the special tax rates or the capacity of the CFDs to pay administration or facilities expenditures, or debt service or lease payments on the Long-Term Obligations.

V. PREPAYMENTS

Pursuant to the RMAs and/or resolution approved by the Board of Trustees, parcels within any CFD are permitted to prepay their CFD special tax, satisfying and discharging their CFD special tax obligation. DTA reviewed the prepayments that occurred during fiscal year 2013-2014 for consistency with the applicable RMA or resolution, and confirmed that such prepayments were calculated and applied correctly. DTA relied on prepayment calculations prepared by SDFA, the RMAs, and the Pledge Agreement, which were supplemented by discussions with SDFA.

Analysis

The owners of two parcels, one each in CFD Nos. 4 and 7, prepaid their special tax obligation in full during fiscal year 2013-2014. DTA reviewed the prepayment calculations prepared by SDFA to verify that the prepayments were consistent with the prepayment formula in the resolution for CFD No. 4 and the RMA for CFD No. 17. The prepayment amount due for each parcel in both CFDs is the net present value of the maximum annual special taxes due for each parcel through the term of the levy (25 years for CFD No. 4, 35 years for CFD No. 17), plus any prepayment fees, plus any redemption premium on bonds called. DTA independently prepared prepayment calculations for the two prepaid parcels, and verified that SDFA's calculations were correct. In addition, DTA verified that the prepayment revenues were deposited to the CFD accounts to be used for pay-as-you-go facilities, Notices of Cancellation were recorded for the prepaid parcels by the County on July 31, 2014, and special taxes were not levied on the subject parcels in fiscal year 2014-2015.

Section 8.I. of the Pledge Agreement states, in part: "the maximum Special Taxes that may be levied within each CFD solely on then existing developed property shall, in the aggregate, be equal to at least...1.11 times the aggregate debt service" (generally, total levy less administration expenses, divided by debt service due) on the Long-Term Obligations in each year. Based on discussions with SDFA, the School District has determined that, if following a prepayment, the debt service coverage from special taxes levied on all Developed Property in all CFDs that have not prepaid their special tax obligation exceeds 111.00%, the School District will not use prepayment

proceeds for the early redemption of bonds or certificates, and instead use them to fund pay-as-you-go facilities. DTA has verified with the official statements for the Long-Term Obligations that the Long-Term Obligations are not subject to mandatory early redemption as a result of prepayments. DTA also verified that, following both prepayments, the debt service coverage exceeded the required 111.00%: the maximum fiscal year 2013-2014 levy on Developed Property of \$24,713,915 (derived from the fiscal year 2013-2014 actual levy on Developed Property), less administration expenses of \$273,920, divided by total debt service due of \$14,339,806 during 2014, results in a debt service coverage of 170.43%.

Conclusions

Based on our review, DTA has determined that the prepayment calculations were consistent with the prepayment formula in the resolution for CFD No. 4 and in the RMA for CFD No. 17. In addition, DTA affirms that the School District was not required use the prepayment proceeds for the early redemption of obligations. As the School District levies the CFD special taxes on Developed Property near their respective maximum rates in every year to meet debt service and facilities needs, DTA believes that the School District's practice of using prepayment proceeds directly for facilities makes practical sense. If the School District did call obligations - and incur the associated administrative fees - debt service and lease payments would be reduced, but the levy for pay-as-you-go facilities would increase; thus there would be additional funds for facilities. In either case, the prepayment proceeds are ultimately used toward school facilities, but under the School District's practice, no unnecessary bond redemption or administrative expenses are incurred.

SECTION 4 DEBT ISSUANCE REVIEW (POLICIES & PROCEDURES)

This section discusses the School District's issuance of long-term debt which is repaid by CFD special taxes. DTA has reviewed School District efforts to ensure timely payments of debt service and lease payments, efforts to exercise an early call of bonds when beneficial to stakeholders, and efforts to ensure competitive interest rates were obtained for bond issues. The School District CFD Goals and Policies address some requirements to ensure credit-worthiness and financial stability at proposed debt issuance¹¹, but are silent as to the specific aforementioned items.

Over the 20 plus years of its CFD program, the School District has issued long-term debt both for the purpose of financing school facilities and for refunding prior obligations. In 1990, the Y/S School Facilities Financing Authority, a joint powers authority of which the School District is a member, issued \$21,675,000 in Special Tax Revenue Bonds (the "1990 Bonds"). In 1992, the Y/S School Facilities Financing Authority issued \$6,950,000 in Special Tax Revenue Bonds (the "1992 Bonds"). The 1990 and 1992 Bonds were subsequently refunded by the sale of the \$31,365,000 Refunding Revenue Bonds (the "1995 Bonds") in 1995. In 1997, the Y/S School Facilities Financing Authority issued the \$19,250,000 Special Tax Revenue Bonds (the "1997 Bonds"). In 2001 and 2002, the School District issued \$42,875,000 and \$55,940,000, respectively, of Certificates of Participation (the "2001 COPs" and "2002 COPs," respectively). The 1995 Bonds were refunded by the sale of \$23,700,000 in Refinancing Certificates of Participation (the "2003 COPs") in 2003. The 2003 COPs were defeased in 2013, ahead of their scheduled maturity date. In 2005, the School District issued Special Tax Revenue Bonds in the amounts of \$66,385,000 (the "2005A Bonds") and \$15,180,000 (the "2005B Bonds"), as well as \$18,330,000 in Refinancing Certifications of Participation (the "2005 COPs") to refund the 1997 Bonds. Finally, the 2001 and 2002 COPs were refunded by the sale of \$72,140,000 in Refunding Revenue Bonds (the "2013 Bonds"). Currently, only the 2005A and 2005B Bonds, 2005 COPs, and 2013 Bonds (collectively, the "Long-Term Obligations") remain outstanding.

The Long-Term Obligations are secured by CFD special taxes from CFD Nos. 1-6, 8, 9A, 9B, and 10-15 via the Pledge Agreement, which states: "the CFDs request that the School District proceed and/or continue with the construction and acquisition of the 2005 Project and the Prior Projects and agree to pay or continue to pay to, and reimburse or continue to reimburse to, the School District the CFDs' Proportionate Share of the Costs" (the capitalized terms have the meanings assigned to them in the Pledge Agreement). Based on discussions with the School District, all CFDs, including CFD Nos. 16 and 17 which are not covered by the Pledge Agreement, contribute to the Long-Term Obligations. Based on the official statement for the 2013 Bonds, the CFDs not specifically pledged may provide a source of special tax revenues to repay the Long-Term Obligations; accordingly, such CFDs are shown in the official statement for the 2013 Bonds with an allocable share of School District debt (based on share of total levy).

¹¹ Specifically, the CFD Goals and Policies mandate the following at time of proposed debt issuance: a taxable Developed Property value-to-lien ratio of at least 4:1, a minimum reserve fund, and aggregate delinquencies in any CFD involved should not exceed 10%.

I. EFFORTS TO ENSURE TIMELY PAYMENTS

The School District has a fiduciary responsibility to ensure the timely and accurate payment of principal and interest on the Long-Term Obligations. To ensure such timely payments, DTA has evaluated the following policies/procedures:

1. The Government Finance Officers Association (“GFOA”) recommends that the Trustee for any outstanding obligations invoice the public agency a minimum of 30 days in advance of the debt service or lease payment date for debt service or lease payments due. Based on discussions with the School District, US Bank invoices the School District for debt service and lease payments a minimum of 30 days prior to the scheduled payment date.
2. As discussed in Section 2.II, based on discussions with the School District, upon receipt of the invoice from US Bank, the School District verifies such invoice against the bond debt service schedule or COP lease payment schedule and ensures that any credits or offsets listed on the invoice match the actual amounts in the US Bank-held accounts.
3. GFOA recommends that the public agency utilize electronic funds transfer to assure transfer to the trustee in a timely manner. Based on discussions with the School District, the School District utilizes electronic fund transfer when sending funds to the US Bank.

DTA believes that the policies/procedures set forth above are sufficient for making accurate and timely payments on the Long-Term Obligations. In addition, the School District has covenanted, as described in Section 6.01 of the bond indentures for the 1997 Bonds and 2013 Bonds, that the Trustee punctually pay interest and principal on the bonds. As discussed in Section 2, DTA affirmed that US Bank made accurate and timely payments on the Long-Term Obligations on every payment date from September 1, 2005 to March 1, 2014.

II. EFFORTS TO EXERCISE AN EARLY CALL/REFINANCING WHEN BENEFICIAL TO STAKEHOLDERS

Based on discussions with the School District, the School District's current financial advisor, Springsted Incorporated (“Springsted”), monitors bond interest rates during the year and uses the rates as the driving force in determining whether an early call and/or refinancing option should be explored by the School District. When interest rates appear to provide savings opportunities for the School District, Springsted prepares a present value benefit evaluation and, when the refinancing savings are estimated to be above 3.00% of the present value of future debt service due on the obligations, he presents the information to the School District's Chief Financial Officer. The evaluation is done at least once a year, and additionally at the request of the School District. If interest rates continue to decrease after the initial evaluation, Springsted prepares a supplemental evaluation. Based on DTA's experience, the 3.00% threshold is the standard for determining whether a refinancing is worth pursuing.

As part of our review, DTA compared the interest rates of the two outstanding refinancing debt issues to the interest rates of the original debt issues, as shown in **Figures 4A and 4B** on the following page. As expected, the refinancing interest rates are lower, translating to debt service cost

savings for the School District. This results in more funds available to the School District for pay-as-you-go facilities.

Based on discussion with the School District and our own analysis of the pre-refinancing and post-refinancing interest rates for the School District's outstanding obligations, DTA believes that reasonable and sufficient efforts were taken by the School District to exercise an early call and/or refinancing when beneficial to stakeholders.

Figure 4A
Comparison of Series 1997 Bonds and 2005 COPs Refinancing Interest Rates

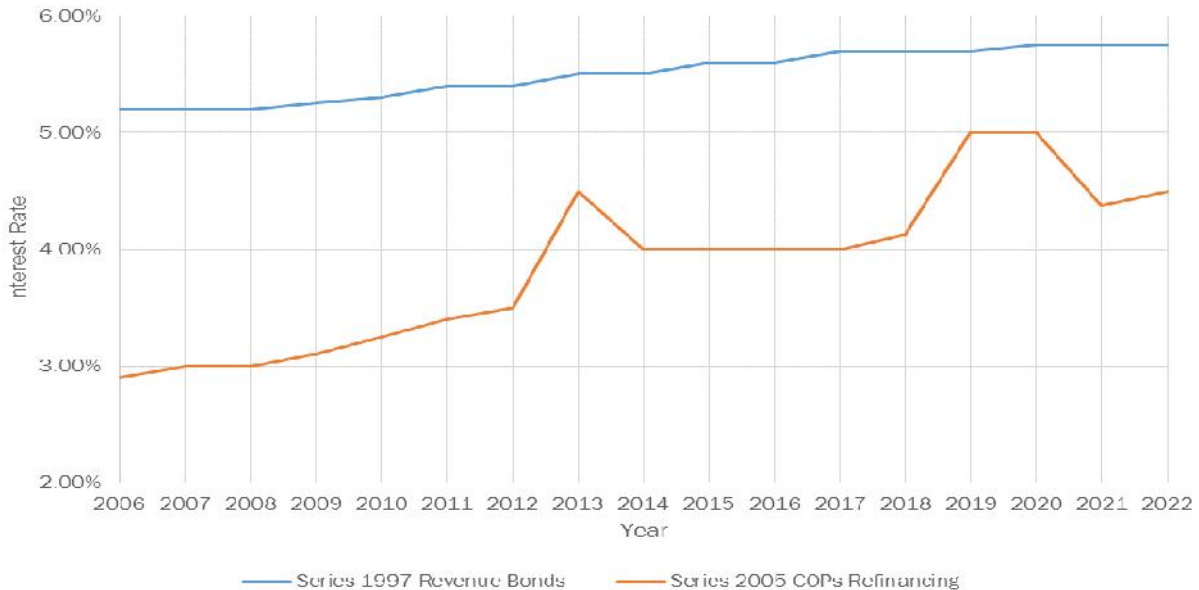
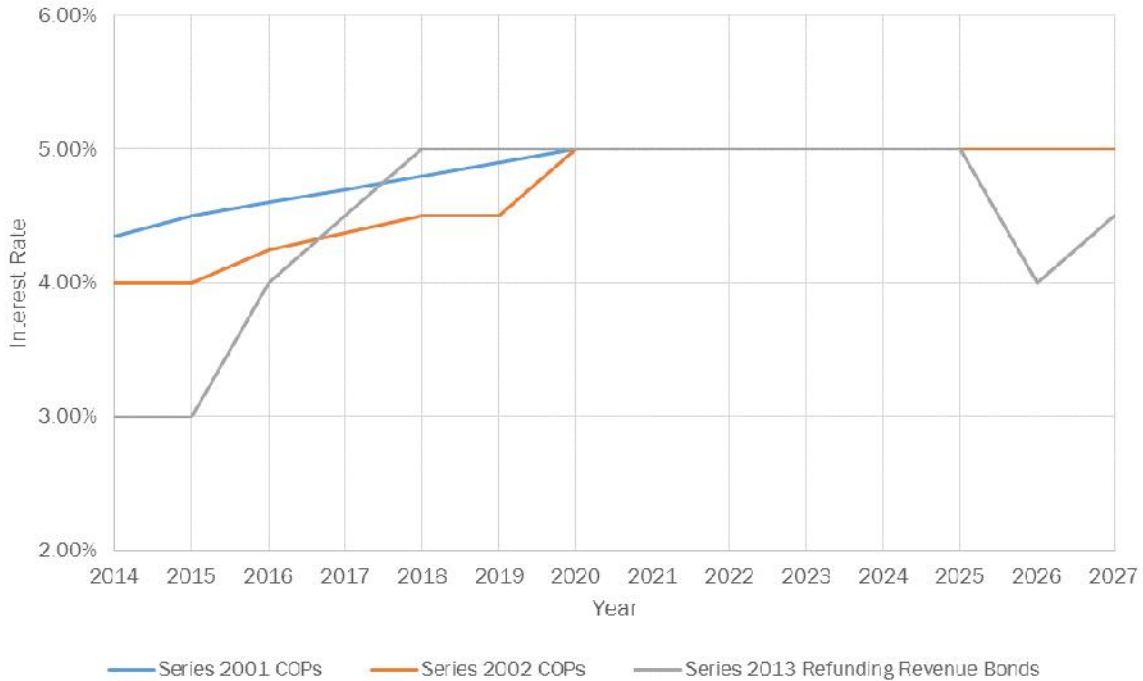


Figure 4B
Comparison of Series 2001/2002 COPs and Series 2013 Refunding Revenue Bonds Interest Rates



III. EFFORTS TO ENSURE COMPETITIVE INTEREST RATES

Based on information provided by the School District regarding their latest bond issue, the 2013 Bonds, Springsted researched the pre-pricing and post-pricing interest rate data for comparable bond issues to ensure that the School District obtained a competitive interest rate on the proposed bond issue. In addition, Springsted maintained a file of articles from Bond Buyer, a publication used industry-wide, for a number of days before and after the sale of debt that described the daily changes in bond market conditions for the overall market. This allowed the School District to see how their interest rate compared to other similar bond issues sold in the same time period. Based on DTA’s experience, Springsted’s comparisons are typical practice for ensuring competitive interest rates.

As part of our review, DTA also independently researched and compared interest rates for school district CFD bonds issued within one month of the 2005 COPs and 2013 Bonds. DTA did not research other characteristics of the debt issuances which may have affected the interest rates, such as credit agency ratings, geographic location, or level of development. Based on our research, the interest rate of 4.00% on certificates maturing in 2010 for the 2005 COPs was the lowest of a sample of interest rates from nine (9) comparable CFD bonds maturing in 2010, which ranged from 4.00% to 4.95%. The interest rate of 5.00% on refunding revenue bonds maturing in 2025 for the 2013 Bonds was the median and mode of a sample of interest rates from nine (9) comparable CFD bonds maturing in 2025, which ranged from 4.375% to 6.50%. The results of our research are shown on the following page in **Figures 4C and 4D**.

Based on a review of the information provided by the School District and independent research regarding interest rates for comparable school district CFD bond issues, DTA believes that the efforts taken by the School District’s financial advisor were sufficient for obtaining competitive interest rates on the obligations.

Figure 4C
Comparable School District CFD Bonds Issued November 2005-January 2006
Interest Rates for Bonds Maturing in 2010

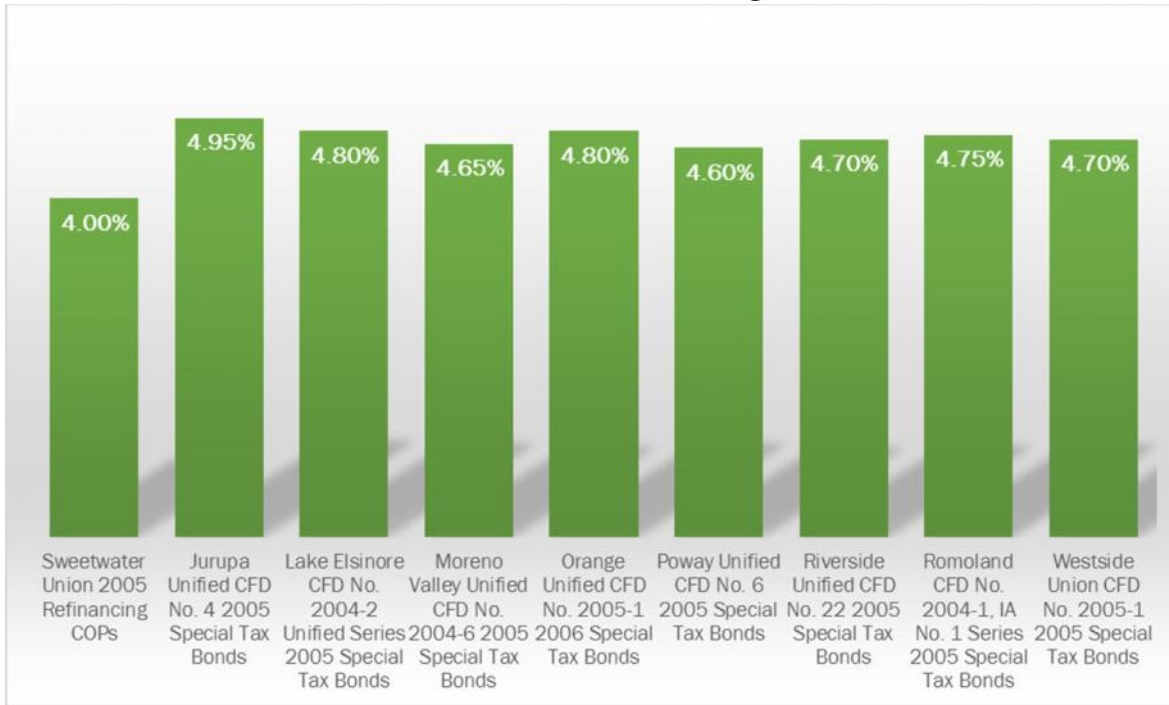
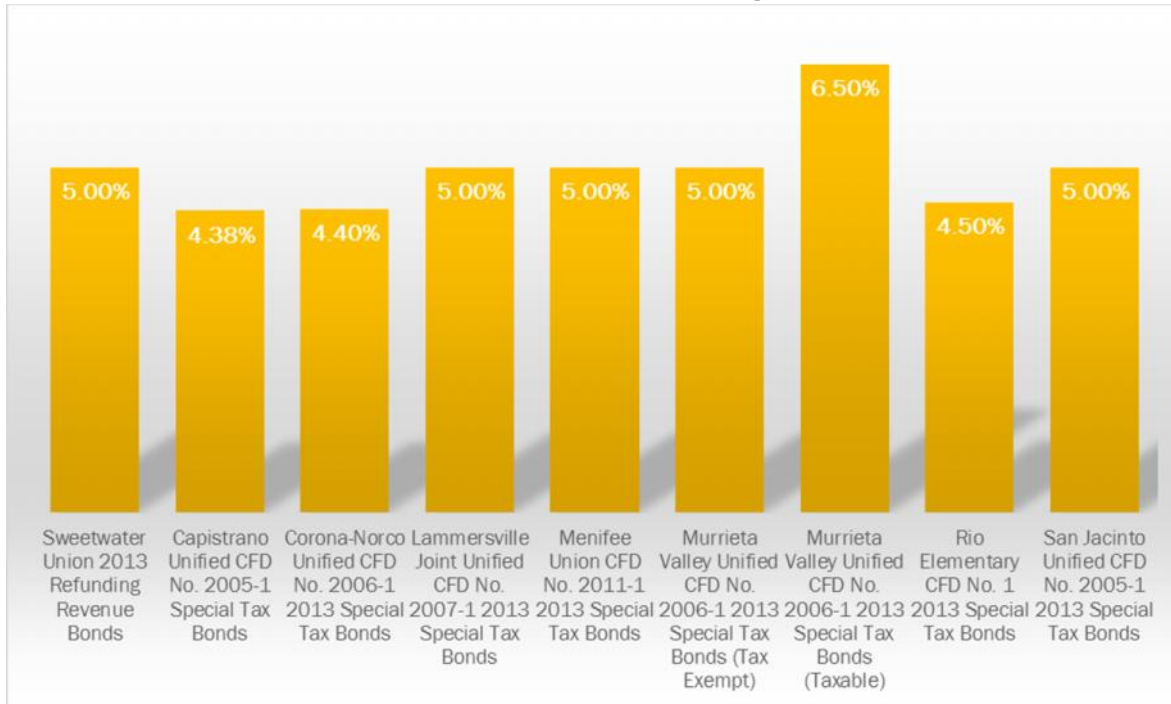


Figure 4D
Comparable School District CFD Bonds Issued September 2013-November 2013
Interest Rates for Bonds Maturing in 2025



SECTION 5 COST ALLOCATION PLAN

This section discusses DTA’s review and analysis of the School District’s proposed Cost Allocation Plan. DTA has prepared a financial model of the School District’s proposed Cost Allocation Plan (the “Financial Model”), as shown in **Exhibit J**, to help answer the following questions:

- Does the Cost Allocation Plan work mathematically?
- Is the Cost Allocation Plan fair and equitable? Does each CFD’s funds and cost allocation make sense with respect to its units and tax rates, relative to the other CFDs?
- Is the Cost Allocation Plan legal?

The Financial Model is an approximation of the sources (bond construction proceeds and special tax proceeds) and uses (debt service and lease payments, administration expenditures, and facilities expenditures) of funds for each CFD from fiscal year 1987-1988 to 2013-2014. In the absence of an established allocation of bond construction proceeds, DTA has assumed that such proceeds are allocated in the same manner as debt service. In addition, DTA has shown only special taxes received and apportioned by the County as sources of payment for the obligations and costs. We have not shown interest earnings or prepayments in the model, as the magnitude of earnings by CFD is small relative to each CFD’s special tax revenues, and the interest earnings and prepayments by CFD by year for the time period analyzed were not readily available. DTA has also not shown any capitalized interest or other cash on hand used to make debt service or lease payments. DTA recommends that the School District account for these items in the future implementation of the Cost Allocation Plan.

For the Financial Model, DTA relied on the official statements for all debt previously issued; schedules of debt service and lease payments made and due, and historical special tax levies and parcels levied provided by SDFCA; administration expenditure data from the DotMatrix, Quickbooks, and TrueCourse accounting databases, the estimated split of construction proceeds that has been used on high school and middle school facilities, and facilities expenditures by type by year provided by the School District; apportionment reports prepared by the County and provided by SDFCA; and other related information. Some information was clarified based on discussions with the School District and/or SDFCA.

I. SUMMARY OF THE ALLOCATION METHOD

The Cost Allocation Plan allocates debt service and lease payments, annual administration expenditures, and high school and middle school facilities to each CFD. Facilities expenditures are allocated to each CFD based on its share of the total applicable levy, as certain CFDs have limitations on school facilities based on the Matrix prepared by School District’s legal counsel. Administration expenditures are allocated to each CFD based on the number of parcels levied.

Debt service and lease payments are divided into high school and middle school portions, based on the portion of the construction proceeds that has been spent on each. Then, as all CFDs can fund high school facilities, each CFD’s share of a given obligation’s high school portion of payment is equal to its share of the total levy for all CFDs, times the total high school portion of payment. Similarly, as all CFDs except CFD Nos. 8, 9A, 9B, and 10 can fund middle school facilities, each

CFD's share of a given obligation's middle school portion of payment is equal to its share of the total levy for all CFDs except CFD Nos. 8, 9A, 9B, and 10, times the total middle school portion of payment. CFD Nos. 8, 9A, 9B, and 10 are not allocated any middle school portion of payment.

As they are not explicitly addressed in the Cost Allocation Plan, DTA recommends that CFD formation expenditures be allocated to the specific CFDs which benefitted, and that debt obligations costs of issuance be allocated to each CFD in the same manner as debt service.

II. THE FINANCIAL MODEL AND ANALYSIS

- Does the Cost Allocation Plan work mathematically?

Based on the Financial Model, the Cost Allocation Plan works mathematically – that is, results in no insufficient or negative allocations of payments on obligations or costs – in all years except for fiscal year 1999-2000. In fiscal year 1999-2000, there is an insufficient allocation because CFD No. 10 levied \$22,534 on one parcel, but received only \$76 in special taxes (none of which were current year taxes); therefore, CFD No. 10 could not make its debt service and lease payment obligation allocated based on its share of the total special tax levy. In reality, this problem would be easily remedied by having another CFD loan CFD No. 10 funds, to be repaid the following year. This insufficient allocation is an anomaly caused by an unusually high delinquency rate, and should not be expected. DTA believes that, given the low delinquency rates discussed in Section 3.I, the Cost Allocation Plan is generally mathematically sound.

- Is the Cost Allocation Plan fair and equitable?

For purposes of the Financial Model, absent any prior or suggested allocation, DTA has assumed that bond construction proceeds are allocated in the same manner as debt service. Although this implies that bond proceeds continue to be spent many years beyond issuance, this prevents CFDs from being allocated payments on obligations for which they did not receive benefit.

As shown in the Estimated Facilities Funded by CFD in **Exhibit J** derived from the Financial Model, CFD No. 1 has had vastly more facilities funded than any other CFD, approximately \$104 million, or approximately \$11,000 per residential unit. The facilities funded total and per unit generally decrease for the newer CFDs. Given that CFD No. 1 has the largest portion of the total special tax levy at approximately 28.00%, and was the first CFD to levy special taxes in fiscal year 1987-1988, it is expected that it has received the most bond construction proceeds and pay-as-you go funds from the special tax levy. As the term of each of the CFD levies is limited to 25 to 35¹² years in the respective RMAs, we can expect the CFD No. 1 levy to decrease in the future as units reach the end of their special tax authorizations, and along with it, bond construction proceeds and pay-as-you go funds

¹² Based on the Matrix, all CFDs have 25 year terms, except for CFD Nos. 16 and 17, which have 30 and 35 year terms, respectively. Based on discussions with SDF, the term of the levy was a part of the School District-developer CFD formation negotiations, with longer terms allowing for lower special tax rates. DTA has assumed that the special tax rates and levies for CFD Nos. 16 and 17 account for the longer terms, and accordingly, each CFD is still allocated its fair share of bond construction proceeds, pay-as-you-go-funds, and costs.

allocated to CFD No. 1. Consequently, the proportionate allocation of the other CFDs' bond construction proceeds, will increase, and as the levies continue, as will the pay-as-you-go funds. Because of the balancing inherent in the CFD levy term limits, and because each CFD is levied near 100% of its maximum amount for its entire term, DTA believes that each CFD will eventually pay its fair share of the costs, and the Cost Allocation Plan will, in aggregate and at the end of all terms, be reasonably fair and equitable to all CFDs.

- Is the Cost Allocation Plan legal?

As shown in the Estimated Facilities Funded by CFD in **Exhibit J**, DTA has approximated a total amount of bond construction proceeds allocated to each CFD. Each CFD also has a maximum bond authorization from the Resolution Declaring Necessity to Incur a Bonded Indebtedness passed at CFD formation. Based on DTA's review, no CFD's bond construction proceeds exceeds its maximum bond authorization, and most CFDs have funded a small fraction of their authorization. The only exception is CFD No. 3, which has had approximately \$30 million in bond construction proceeds to \$37 million maximum authorization (\$19,000,000 escalated to fiscal year 2013-2014 pursuant to the resolution). As CFD No. 3 has levied for nearly as long as CFD No. 1, DTA expects that in the future, the CFD No. 3 levy will decrease as units reach the end of their special tax authorizations, and the bond construction proceeds allocated and pay-as-you-go funds levied by CFD No. 3 will also decrease. DTA believes, then, that the Cost Allocation Plan is legal with respect to maximum authorizations.

In addition, the School District's legal counsel has reviewed the Cost Allocation Plan, and, in a memorandum dated January 29, 2015, indicated that, subject to the public facilities funding limitations in the formation documents for each CFD, "the provisions of the Cost Allocation Plan...appear to be a fair and reasonable policy for the Board to implement."

III. RECOMMENDATIONS

Based on the Financial Model and Facilities Funded by CFD, DTA believes that the Cost Allocation Plan is mathematically sound, is fair and equitable to the CFDs in aggregate through the end of their respective terms, and is legal under the formation documents. The School District's use of pooled of long-term debt and pledged special taxes makes a precise allocation of facilities expenditures impractical. DTA believes that the Cost Allocation Plan is both consistent with the Matrix prepared by School District's legal counsel and a suitable solution to allocate bond construction proceeds, special tax revenues, debt service and lease payments, and annual administration expenses, and debt obligations costs of issuance. DTA recommends explicitly adding CFD formation costs and debt obligations to the Cost Allocation Plan, so that such items can be properly allocated. Finally, DTA recommends that the School District implement the Cost Allocation Plan, with said additions, as soon as practicable, and adopt policies and procedures to properly implement the Plan.

EXHIBIT A

COMMUNITY FACILITIES DISTRICT VICINITY MAP

SWEETWATER UNION HIGH SCHOOL DISTRICT CFD VICINITY MAP

-  **CFD NO. 1**
(EASTLAKE)
-  **CFD NO. 2**
(BONITA LONG CANYON)
-  **CFD NO. 3**
(RANCHO DEL REY)
-  **CFD NO. 4**
(SUNBOW)
-  **CFD NO. 5**
(ANNEXABLE)
-  **CFD NO. 6**
(VILLAGE DEVELOPMENT)
-  **CFD NO. 7 ***
(ROLLING HILLS RANCH)
-  **CFD NO. 8**
(CORAL GATE)
-  **CFD NO. 9A**
(OCEAN VIEW HILLS)
-  **CFD NO. 9B**
(DENNERY RANCH)
-  **CFD NO. 10 ****
(REMINGTON HILLS)
-  **CFD NO. 11**
(LOMAS VERDE)
-  **CFD NO. 12**
(VILLAGE ONE WEST)
-  **CFD NO. 13**
(SAN MIGUEL RANCH)
-  **CFD NO. 14**
(VILLAGE 11)
-  **CFD NO. 15**
(VILLAGE 6)
-  **CFD NO. 16**
-  **CFD NO. 17**
(VILLAGES 2 & 7)
-  **CFD NO. 18** (Millenia)
-  **CFD #10 Zone Boundary**

* The special tax obligation for this CFD was mitigated by a fee payment. As a result, proceedings to establish this CFD were not completed and a special tax is not authorized for this area.

** It is intended that certain future residential and commercial developments within the boundaries of the Sweetwater Union High School District be annexed to CFD No. 10. Zones A and B were created within this CFD in order to recognize that middle school facilities within the boundaries of the San Ysidro School District are NOT provided by the Sweetwater U.H.S.D.

**SPECIAL DISTRICT FINANCING
& ADMINISTRATION**
437 West Grand Avenue
Escondido, CA 92025
Phone: (760) 233-2630
Fax: (760) 233-2631

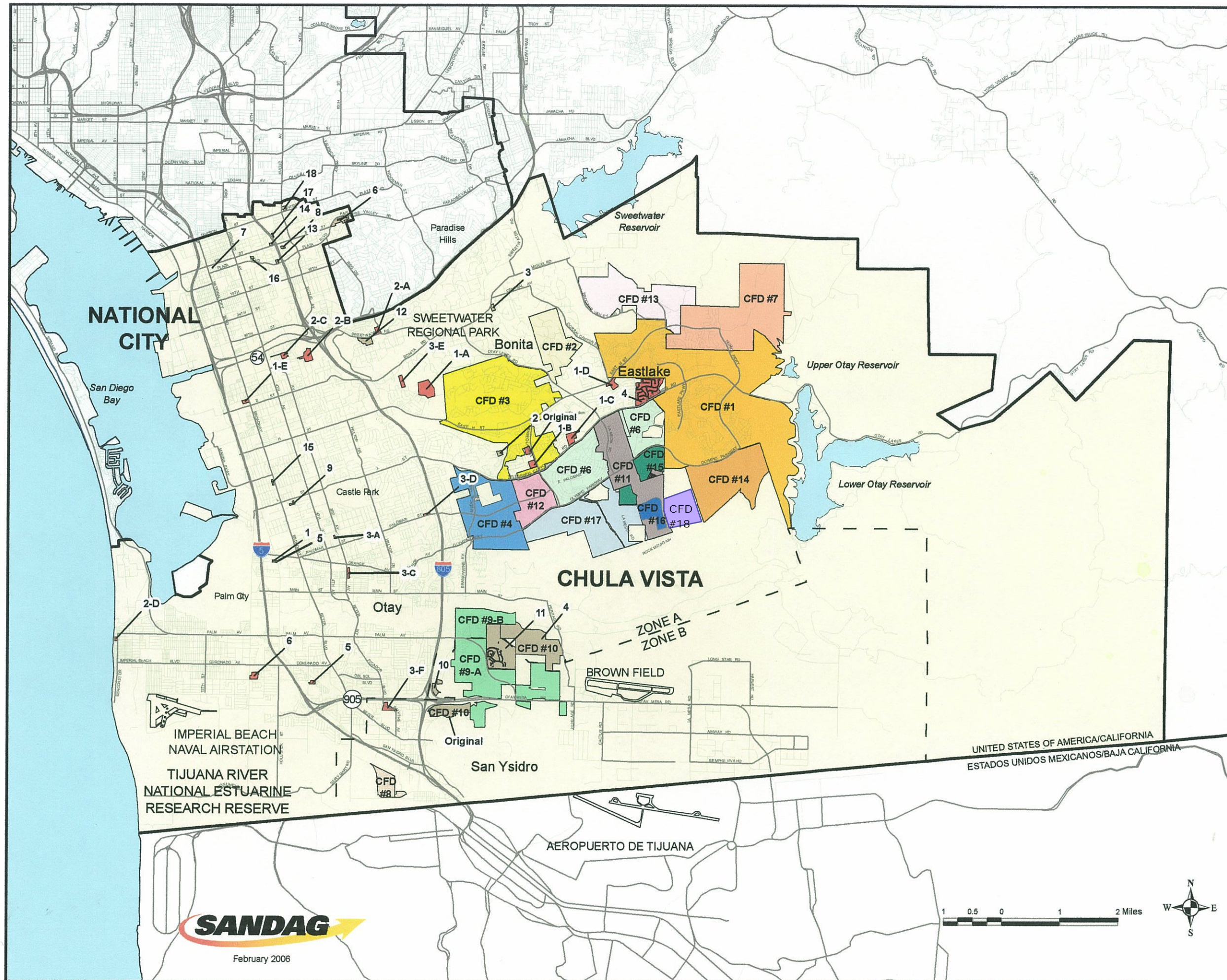


EXHIBIT B

MATRIX OF ALLOCABLE EXPENDITURES

PREPARED BY SCHOOL DISTRICT'S LEGAL COUNSEL

Sweetwater Union High School District
Community Facilities Districts - Facilities Funding Summary
(Revised 1-21-2015)

CFD	Original Developer	Mitigation Agreement Date	Authorized Facilities under Formation Resolution	Substitution Facilities Clause in Formation Resolution?	Authorized Facilities Under Ballot	Authorized Facilities under Mitigation Agreement	Is Modernization/Rehabilitation Authorized?	Agreement Funding Limit	Required to Seek State Funding	State Funds	Are they receiving a Prop 8B Credit**	Base Special Tax Fiscal Year	Final Special Tax Levy Year/Term of Special Tax	Central Admin/Support Facilities Authorized?	Salaries/Costs of Administering the CFD Authorized (non-facilities)?	Salaries/Oversight Costs related to Construction of Authorized Facilities Permitted (non-facilities)?	Authorized Facilities in CFD Report	Furnishings and Equipment Authorized?	Outstanding Task
1	Eastlake Development Company	12/11/1986	Middle School and High School total capacity of 3200 students	NO	Middle School and High School (no capacity limit)	One High School (capacity 995 students) and One Jr. High School	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 5)	Project Students	Yes	May Be Used to Reduce ST /Bonds	Yes	FY 1986-87	25 years or until bonds are matured (whichever is earlier)	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	Resol of Formation authorizes special tax to pay the "costs and expenses" of authorized facilities	Resol of Formation authorizes special tax to pay the "costs and expenses" of authorized facilities	Providing capacity for students generated from Eastlake (provide 1000 seats in a high school located in EastLake with the balance of the school built with other District funds; remaining funds available could be used to fund capacity at any other site(s))	Yes, "equipment" authorized under Resolution of Formation and "Furniture Equipment" as an item in CFD Report	
2	Bonita Long Canyon Partnerships	2/25/1988	Middle School and High School	NO	Middle School and High School	High School (capacity 116) and Jr. High School (capacity 61)	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 5)	Project Students	Yes	Must Reduce ST /Bonds	Yes	FY 1987-88	25 years	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	Resol of Formation authorizes special tax to pay the "costs and expenses" of authorized facilities	Resol of Formation authorizes special tax to pay the "costs and expenses" of authorized facilities	School Facilities to house students generated by the Bonita Long Canyon development; high school and/or middle school facilities, land acquisition, necessary construction and engineering costs together with appurtenances and incidentals including furnishings and equipment	Yes, "furnishings and equipment" authorized under Resolution of Formation and CFD Report	
3	Rancho Del Rey Partnership	11/3/1988	Middle School and High School; refer to Project Description and Cost/CFD Report	Yes (so long as facilities provide a similar service)	Middle School and High School	A High School (capacity 788) and Jr High School Facilities (capacity 415)	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 5)	Project Students	Yes	Must Reduce ST /Bonds	Yes	FY 1988-89	25 years	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Administrative expense" permitted defined as "only those ordinary and reasonable expenses necessary to properly administer the levy and collection of the Special Tax" (per CFD Report Exhibit 4)	"Related incidental expenses" relating to construction of authorized facilities permitted under Resolution of Intention	Middle School and/or Junior High and High School Facilities, land acquisition, necessary construction and engineering costs together with appurtenances and incidentals including furnishings and equipment	Yes, "furnishings and equipment" authorized under Resolution of Formation and CFD Report	
4	Rancho Del Sur	10/6/1988	Middle School and High School; refer to Project Description and Cost/CFD Report	Yes (so long as facilities provide a similar service)	Middle School and High School	Middle and High School Facilities	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 5)	Must be Used for Project Students and not any Prior to Project	Yes	Must Reduce ST /Bonds	Yes	FY 1988-89	25 years	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Administrative expense" permitted defined as "only those ordinary and reasonable expenses necessary to properly administer the levy and collection of the Special Tax" (per CFD Report Exhibit 4)	"Related incidental expenses" relating to construction of authorized facilities permitted under Resolution of Intention	Middle School and/or Junior High and High School Facilities, land acquisition, necessary construction and engineering costs together with appurtenances and incidentals including furnishings and equipment	Yes, "furnishings and equipment" authorized under Resolution of Formation and CFD Report	
5 (Total of 16 Developments)	Otay Vista Associates (Original Project)	7/1/1993	refer to Project Description and Cost Estimate/CFD Report	Yes (so long as facilities provide a similar service)	Certain public authorized school buildings and facilities	High School and/or Middle School Facilities, on-site office space at a school, central support and admin facilities	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 5)	Must be Used for School Facilities	Yes	Must Reduce ST /Bonds	Yes	FY 1988-89	25 years	Yes, provided for in Mitigation Agreement (def of School Facilities) but not discussed in Resol of Intention, Resol of Formation or Resol of Bonded Indebtedness	No prohibition in Resolution of Formation, Resolution of Intention, RMA, Bond authorization resolution, Ballot materials, Financial Feasibility Analysis	"Related incidental expenses" relating to construction of authorized facilities permitted under Resolution of Intention	One High School with an enrollment of appr. 2,174 Students and one Junior High School with capacity of appr. 978 students (indicated in Feasibility Report)	Yes, "furnishings and equipment" authorized under Resolution of Formation and as anticipated cost in Feasibility Report	Obtain CFD Report
6	Otay Project, LLC, Southbay Project, LLC, Centex Homes, UDC Homes, Inc., Standard Pacific Corporation	7/10/1998	High School Facilities; refer to Facilities described in CFD Report	Yes (so long as facilities provide a similar service)	Authorized public Improvements and facilities as set forth in Resolution of Formation (High School Facilities)	High School Facility to house 2400 students, a library, gymnasium, cafeteria, stadium, admin center, classrooms, & play fields	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 6)	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	Yes	Must Reduce ST /Bonds pro rata among all CFDs	Yes	FY 1997-98	25 years or prepaid	Administration center to be included in high school facility, not central District Admin	"Issuance and administration of bonds" and "determination of the amount of any special taxes to be levied" (authorized under Resol of Intention); "costs of administering the bonds and the District" (authorized under the Resol of Formation)	Expenses incidental to acquisition, construction, completion, inspection of authorized facilities (permitted under Resol of Intention and Resol of Formation)	Acquisition and construction of certain public capital school facilities for grades 7-12 or increments thereof, including land acquisition, appurtenances, and furnishings and equipment, to serve needs created by development within the CFD	Yes, "furnishings and equipment" authorized under Resolution of Formation and CFD Report	
7 - Mitigated Development NOT a CFD	Pacific Bay Homes	4/17/1997		NA	NA	Secondary School Facilities, including classrooms, on-site office space at a school, central support and admin facilities; not buses or other transportation equipment	District is permitted to "upgrade" the facilities by use of funds other than Mitigation Payments only if the upgrade will not impair the District's ability to obtain reimbursement from the State for a portion of the cost of construction and acquisition of the facilities	If District enters into subsequent Mit Agr with other Projects with >50 units, mitigation payment of 10% or more below \$4806.75 per unit; all remaining Mit payments will be reduced	Yes	Must reduce Mitigation Payments pro rata with all CFDs	Yes				No prohibition in Mitigation Agreement; CFD Report allows for "all administrative expenses associated with the CFD" under the RMA attached to the CFD Report	"to assist in financing School Facilities and other costs to serve the student population" (Section 2.1 of Mitigation Agreement)	Temporary and/or Permanent middle and high school facilities required to accommodate students expected to be generated from the projects	Mitigation Agreement is silent re equipment/furnishings as authorized expenditure	
	Pacific Bay Homes - 1st Amended Agmt. (partial release of property from Mit Agr)	6/18/2001																	
	McMillian Rolling Hills Ranch - 2nd Amended Agmt.	2005																	
8	South Bay Land Associates	NA	High School Facilities; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	High School Facilities	NA	Silent in Resolution of Formation	No Mitigation Agreement	No Mitigation Agreement	No Mitigation Agreement	Yes	FY 1992-93	25 years	Silent in CFD Report	All costs associated with the issuance of Bonds, the determination of the amount of any special taxes to be levied and the costs of collecting any special taxes and costs otherwise incurred in order to carry out the authorized purposes of the District (Resol of Intention)	Costs of planning and designing the facilities and expenses incidental to acquisition, construction, completion, inspection of authorized facilities (permitted under Resol of Intention and Resol of Formation)		Yes, "furnishings and equipment" authorized under Resolution of Formation	
9A*	Pardee Construction Co.	1/24/1998	High School Facilities; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	Authorized public Improvements and Facilities	High School Facilities (Pardee CFD); Middle School Facilities (Dennery Ranch CFD)	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 6)	High School construction is a priority; efforts to include library facilities and community park site	Yes	Must Reduce ST/Bonds	Yes	FY 1997-98	25 years or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	Resol of Formation authorizes special tax to "pay the costs of administering the bonds and the District"	Resol of Formation authorizes special tax to "pay the costs of administering the bonds and the District"		Yes, "furnishings and equipment" authorized under Resolution of Formation	Obtain CFD Report
9B			High School Facilities; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	Authorized public Improvements and Facilities	High School Facilities (Pardee CFD); Middle School Facilities (Dennery Ranch CFD)	Silent in Resolution of Formation & Mitigation Agreement			Yes	Reduce ST /Bonds	Yes	FY 1997-98	25 years or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	Resol of Formation authorizes special tax to "pay the costs of administering the bonds and the District"	Resol of Formation authorizes special tax to "pay the costs of administering the bonds and the District"		Yes, "furnishings and equipment" authorized under Resolution of Formation
10 (total of 22 Developments)	Robinhood Homes, Inc. (Annex #4)	7/16/1990				50 useable acres of ground to house 2400 High School students					Yes	FY 1998-99	25 years or prepaid						
	Robert L Childers Co., Inc. (Annex #11 per SDFa)	7/16/1990				50 useable acres of ground to house 2400 High School students	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 6)							Silent in Mitigation Agreement	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)		Yes, "furnishings and equipment" authorized under Resolution of Formation	Obtain CFD Report
	K Hovnanian at Bella Lago, LLC (Annexation No. 19)	8/15/2006				Interim and Permanent facilities, including classrooms, multi-purpose, admin and aux space at a school, central support and admin facilities and special ed facilities and any expansion or modernization costs			Project Students	Yes	Must be used to fund actual cost of School Facilities and any expansion or modernization of School Facilities	Yes		Yes, provided for in Mitigation Agreement (def of School Facilities) but not discussed in Resol of Intention, Resol of Formation or Resol of Bonded Indebtedness					

Sweetwater Union High School District
Community Facilities Districts - Facilities Funding Summary
(Revised 1-21-2015)

CFD	Original Developer	Mitigation Agreement Date	Authorized Facilities under Formation Resolution	Substitution Facilities Clause in Formation Resolution?	Authorized Facilities Under Ballot	Authorized Facilities under Mitigation Agreement	Is Modernization/Rehabilitation Authorized?	Agreement Funding Limit	Required to Seek State Funding	State Funds	Are they receiving a Prop BB Credit***	Base Special Tax Fiscal Year	Final Special Tax Levy Year/Term of Special Tax	Central Admin/Support Facilities Authorized?	Salaries/Costs of Administering the CFD Authorized (non-facilities)?	Salaries/Oversight Costs related to Construction of Authorized Facilities Permitted (non-facilities)?	Authorized Facilities in CFD Report	Furnishings and Equipment Authorized?	Outstanding Task	
11	McMillian -D.A. America Otay Ranch LLC	7/10/1998	School Facilities for Grades 7-12; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	Authorized public improvements and facilities	Grades 7-12 Interim and permanent school facilities and student transportation needs	Silent in Resolution of Formation & Mitigation Agreement	Project Students	Yes	Must reduce ST/Bonds pro rata among all CFDs	Yes	FY 1997-98	25 Fiscal Years from initial levy or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)	Public Capital School Facilities for Grades 7-12 to serve development within CFD	Yes, "furnishings and equipment" authorized under Resolution of Formation		
12	Otay Project, LLC	9/28/2000	School Facilities for Grades 7-12; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	Authorized facilities contained in Resolution of Intention (Facilities for grades 7-12)	Public grade 7 - 12 school buildings and facilities	Silent in Resolution of Formation & Mitigation Agreement	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	Yes	Must reduce ST/Bonds pro rata among all CFDs	Yes	FY 1999-2000	25 Fiscal Years from initial levy or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)		Yes, "furnishings and equipment" authorized under Resolution of Formation	Obtain CFD Report	
13	Trimark Pacific San Miguel LLC	11/16/1999	School Facilities for Grades 7-12; Facilities referred to in CFD Report	Yes (so long as facilities provide a similar service)	Authorized facilities contained in Resolution of Intention (Facilities for grades 7-12)	Public grade 7 - 12 school buildings and facilities	Yes (expansion and rehabilitation) - under Resolution of Formation (Section 6)	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	Yes	Pro rata All CFDs	Yes	FY 1999-2000	25 Fiscal Years from initial levy or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)	Acquisition and Construction of Public Capital School Facilities for Grades 7-12	Yes, "furnishings and equipment" authorized under Resolution of Formation		
14	Brookfield Shea Otay LLC	10/15/2001	School Facilities for Grades 7-12	Yes (so long as facilities provide a similar service)	Authorized facilities contained in Resolution of Intention (Facilities for grades 7-12)	Public grade 7 - 12 school buildings and facilities	Silent in Resolution of Formation & Mitigation Agreement	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	Yes	Must reduce ST/Bonds pro rata among all CFDs; reduction = in type and proportionately to the larger of reduction in obligations for CFDs 11 & 13 or reduction in the obligations for any other CFD or project subject to Mit Agr	Yes	FY 2001-02	25 Fiscal Years from initial levy or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)	Acquisition and Construction of Public Capital School Facilities for Grades 7-12	Yes, "furnishings and equipment" authorized under Resolution of Formation		
15	Otay Project LP	8/26/2002	School Facilities for Grades 7-12	Yes (so long as facilities provide a similar service)	Authorized facilities contained in Resolution No. 3035 (Resolution of Intention is No. 3037)	Public grade 7 - 12 school buildings and facilities	Silent in Resolution of Formation & Mitigation Agreement	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	Yes	Must reduce ST/Bonds pro rata among all CFDs; reduction = in type and proportionately to the larger of reduction in obligations for CFDs 11, 13 & 14 or reduction in the obligations for any other CFD or project subject to Mit Agr	Yes	FY 2001-02	25 Fiscal Years from initial levy or prepaid	Silent in Mitigation Agreement, Resol of Intention, Resol of Formation, Resol of Bonded Indebtedness	"Said special tax shall be utilized to pay directly for the previously described facilities ... and to pay the costs of administering the bonds and the District" (Resol of Formation)	"Said special tax shall be utilized to pay directly for the previously described facilities" (Resol of Formation)		Yes, "furnishings and equipment" authorized under Resolution of Formation	Obtain CFD Report	
16	McMillian Development Co	Same Mitigation Agreement as CFD 11 per S DFA	Any School Facilities with a useful life for 5 years or more	No	Authorized Facilities contained in Resolution of Bonded Indebtedness (any school facilities with useful life of 5 years or more)	Grades 7-12 interim and permanent school facilities and student transportation needs	Yes (incidental expenses including rehabilitation of facilities) - under Resolution of Formation (Section 7)	Not Applicable per informaiton provided ("N/A")	N/A	N/A	Yes	FY 2004-05	30 Fiscal Years from initial Levy or prepaid	Authorized in Resol of Intention, Resol of Formation and Resol of Bonded Indebtedness	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... determining of the amount of taxes, collection of taxes or other securities, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 16" (Resol of Formation)	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... the cost of planning, designing, constructing, acquisition, relocation and rehabilitation of the Facilities ... including the cost of environmental evaluations of the Facilities ... and any other expenses incidental to the construction, acquisition, relocation, rehabilitation, completion and/or inspection of the Facilities including all costs incidental to" (Resol of Formation)	May include, but are not limited to, the construction, purchase, modification, expansion, improvement or rehabilitation of School Facilities owned and operated by the District including, without limitation, classrooms, multi-purpose, administration and aux space and interim housing; central support and admin facilities, transportation and special ed facilities	Yes, "equipment" authorized under Resolution of Formation (Exhibit B)		
17 IA 1	Otay Project, LP, Otay Ranch VII J, LLC, Otay Ranch Twelve, LLC, Otay Ranch VII-1, LLC, Otay Ranch R-2B LLC	1/23/2006	Any School Facilities with a useful life for 5 years or more	NO	Authorized Facilities contained in Resolution of Bonded Indebtedness		Yes (incidental expenses including rehabilitation of facilities) - under Resolution of Formation (Section 7)	School Facilities, Mitigation Payments, formation costs, debt service, COI, Bond and CFD admin	No	No Developer refund or reduction in ST	No	FY 2005-06	35 Fiscal Years after initial Levy or prepaid	Authorized in Resol of Intention, Resol of Formation and Resol of Bonded Indebtedness	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... determining of the amount of taxes, collection of taxes or other securities, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 17 I/A-1" (Resol of Formation)	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... the cost of planning, designing, constructing, acquisition, relocation and rehabilitation of the Facilities ... including the cost of environmental evaluations of the Facilities ... and any other expenses incidental to the construction, acquisition, relocation, rehabilitation, completion and/or inspection of the Facilities including all costs incidental to" (Resol of Formation)	Middle and High School Buildings, Central Admin and Support Facilities as well as Interim Housing, including modernization	Yes, "equipment" authorized under Resolution of Formation (Exhibit B)		
18	Same Agreement as CFD No. 11	7/10/1998	Middle School or High School or Real or Personal Property with Useful life of 5 years or more	NO	Public School Facilities	Grades 7-12 interim and permanent school facilities and student transportation needs	Yes (incidental expenses including rehabilitation of facilities) - under Resolution of Formation (Section 7)	Project Students	Yes	Must reduce ST/Bonds pro rata among all CFDs	Yes	FY 2012-13	25 Fiscal Years from initial levy or prepaid	Authorized in Resol of Intention, Resol of Formation and Resol of Bonded Indebtedness	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... determining of the amount of taxes, collection of taxes or other securities, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 18" (Resol of Formation)	"A special tax sufficient to pay for the acquisition and construction of the Facilities ... and all incidental expenses including ... the cost of planning, designing, constructing, acquisition, relocation and rehabilitation of the Facilities ... including the cost of environmental evaluations of the Facilities ... and any other expenses incidental to the construction, acquisition, relocation, rehabilitation, completion and/or inspection of the Facilities including all costs incidental to" (Resol of Formation)	Any Middle or High School and Real or Personal Property with an estimated useful life of at least 5 years or longer	Yes, "equipment" authorized under Resolution of Formation (Exhibit B)		
		Totals																		
		* Reflects the number of dwelling units in 9A that are not also in 9B. Total dwelling units in 9A is the sum of 9A and 9B.									Information obtained from S DFA/BAWG did not verify this column			Added May 2014	Added 07/22/2014	Added 07/23/2014	Added May 2014	Added 07/17/2014		

All facilities must have a useful life of at least 5 years pursuant to the Mello-Roos Act

EXHIBIT C

SUMMARY OF DEBT SERVICE EXPENDITURES REVIEWED

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF DEBT SERVICE EXPENDITURES REVIEWED
AMOUNTS TRANSFERRED TO US BANK [1]**

Payment Date	Amount Due [2]	Amount	Difference	Percent
		Transferred to US Bank [3]		Difference
3/1/2014	\$2,922,913	\$2,922,913	\$0	0.00%
9/1/2013	\$12,799,072	\$12,879,739	\$80,668	0.63%
3/1/2013	\$3,879,072	\$3,879,072	\$0	0.00%
9/1/2012	\$12,634,159	\$12,634,159	\$0	0.00%
3/1/2012	\$4,044,159	\$4,044,159	\$0	0.00%
9/1/2011	\$12,162,386	\$12,162,386	\$0	0.00%
3/1/2011	\$4,192,386	\$4,192,308	-\$78	0.00%
9/1/2010	\$11,722,031	\$11,720,644	-\$1,387	-0.01%
3/1/2010	\$4,322,031	\$4,319,325	-\$2,706	-0.06%
9/1/2009	\$11,313,674	\$11,320,302	\$6,628	0.06%
3/1/2009	\$4,438,674	\$4,414,293	-\$24,380	-0.55%
9/1/2008	\$10,915,474	\$10,880,965	-\$34,508	-0.32%
3/1/2008	\$4,545,474	\$4,482,938	-\$62,536	-1.38%
9/1/2007	\$10,533,116	\$10,474,724	-\$58,393	-0.55%
3/1/2007	\$4,638,116	\$4,538,344	-\$99,773	-2.15%
9/1/2006	\$10,349,584	\$10,148,453	-\$201,131	-1.94%
3/1/2006	\$4,532,929	\$4,496,723	-\$36,206	-0.80%
9/1/2005	\$10,369,175	\$9,234,521	-\$1,134,653	-10.94% [5]
Total	\$140,314,425	\$138,745,969	-\$1,568,456	-1.12%

[1] US Bank was designated as Trustee for the bonds during the time period reviewed.

[2] Based on the debt service schedules from the respective Official Statements and confirmed with SDFA.

[3] Based on Quickbooks and TrueCourse revenue and expenditure data provided by the School District. Reflects transactions described as "Debt Service" or related.

[4] Based on discussions with the School District, the differences between the amounts due and amounts transferred are accounted for in one or more of the following ways: (1) additional funds were used toward the early redemption of the Series 2003 COPs, (2) additional funds were used to increase the Reserve Fund(s) to the Reserve Requirement(s), (3) there were sufficient funds on hand with US Bank, and/or (4) the funds transferred earned sufficient interest until the debt service payment date. As shown in Exhibit C-2, all debt service payments to bondholders were made in full.

[5] Based on the Series 2005 Refinancing Official Statement, sufficient funds (\$2,138,576 net of the original issue discount) were on deposit with the 1997 Trustee.

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF DEBT SERVICE EXPENDITURES REVIEWED
AMOUNTS PAID BY US BANK [1]**

Series 2005A						Series 2005B				
Fiscal Year	Total Amount Due During Fiscal Year [2]	Principal Paid [3]	Interest Paid [3]	Total Amount Paid	Difference	Total Amount Due During Fiscal Year [2]	Principal Paid [3]	Interest Paid [3]	Total Amount Paid	Difference
2013-2014	\$4,576,000	\$1,880,000	\$2,696,000	\$4,576,000	0.00%	\$1,125,052	\$645,000	\$480,052	\$1,125,052	0.00%
2012-2013	\$4,485,500	\$1,700,000	\$2,785,500	\$4,485,500	0.00%	\$1,132,768	\$630,000	\$502,768	\$1,132,768	0.00%
2011-2012	\$4,611,500	\$1,740,000	\$2,871,500	\$4,611,500	0.00%	\$1,109,030	\$585,000	\$524,030	\$1,109,030	0.00%
2010-2011	\$4,539,625	\$1,585,000	\$2,954,625	\$4,539,625	0.00%	\$1,083,718	\$540,000	\$543,718	\$1,083,718	0.00%
2009-2010	\$4,449,750	\$1,420,000	\$3,029,750	\$4,449,750	0.00%	\$1,067,005	\$505,000	\$562,005	\$1,067,005	0.00%
2008-2009	\$4,382,375	\$1,285,000	\$3,097,375	\$4,382,375	0.00%	\$1,049,068	\$470,000	\$579,068	\$1,049,068	0.00%
2007-2008	\$4,313,375	\$1,155,000	\$3,158,375	\$4,313,375	0.00%	\$1,029,905	\$435,000	\$594,905	\$1,029,905	0.00%
2006-2007	\$4,247,925	\$1,045,000	\$3,202,925	\$4,247,925	0.00%	\$1,009,518	\$400,000	\$609,518	\$1,009,518	0.00%
2005-2006	\$4,755,864	\$1,595,000	\$3,160,864	\$4,755,864	0.00%	\$987,422	\$380,000	\$607,422	\$987,422	0.00%

Series 2005 Refinancing						Series 2013 Refunding				
Fiscal Year	Total Amount Due During Fiscal Year [2]	Principal Paid [4]	Interest Paid [4]	Total Amount Paid	Difference	Total Amount Due During Fiscal Year [2]	Principal Paid [3]	Interest Paid [3]	Total Amount Paid	Difference
2013-2014	\$1,724,225	NA	NA	\$1,724,225	0.00%	\$1,115,620	\$0	\$1,115,620	\$1,115,620	0.00%
2012-2013	\$1,497,500	NA	NA	\$1,497,500	0.00%					
2011-2012	\$1,493,990	NA	NA	\$1,493,990	0.00%					
2010-2011	\$1,483,099	NA	NA	\$1,483,099	0.00%					
2009-2010	\$1,352,843	NA	NA	\$1,352,843	0.00%					
2008-2009	\$1,333,593	NA	NA	\$1,333,593	0.00%					
2007-2008	\$1,333,093	NA	NA	\$1,333,093	0.00%					
2006-2007	\$1,539,655	NA	NA	\$1,539,655	0.00%					
2005-2006	\$181,654	NA	NA	\$181,654	0.00%					

[1] US Bank was designated as Trustee for the four outstanding bonds.

[2] Based on debt service schedules from the respective Official Statements and confirmed with SDA.

[3] Based on fiscal year-end US Bank account statements provided by the School District on 11/25/2014 and 12/1/2014. Amounts may not match "Amounts Transferred to US Bank" from Exhibit C-1, due to early redemption costs, Reserve Fund transfers, cash on hand with US Bank, or interest earnings.

[4] Based on the US Bank account statements, Series 2005 Refinancing debt service payments are made from a single Lease Payments Account.

EXHIBIT D

SUMMARY OF NON-FACILITIES EXPENDITURES REVIEWED

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF NON-FACILITIES EXPENDITURES REVIEWED [1]**

CFD No.	Date	Name	Memo	Split	Amount	Invoice No.
Annual Administration Expenditures						
1	3/17/1995	Payment/Muni Financial Service	CFD Administration	Consultants	(\$1,180.49)	
1	8/13/2001	Spec. Dist. Financing & Admin.		Consultants	(\$2,831.00)	01250
1	2/28/2002		Service Charge	Bank Charge	(\$26.79)	
1	1/30/2008	Spec. Dist. Financing & Admin.	Qtr Admin Fees	Consultants	(\$13,564.91)	8017-8033
1	4/25/2011	Spec. Dist. Financing & Admin.		Consultants	(\$16,872.80)	10484,10485,10487, 10447-
1	6/1/2011		Professional Services		(\$632.50)	4689
1	10/23/2011	Special District Financing & Administration	Apply Expenditure when Invoice 10740 Approved.		(\$157.88)	10740
1	4/21/2013	Special District Financing & Administration	Apply Expenditure when Invoice 11500 Approved.		(\$375.91)	11500
1	3/16/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12042 Approved.		(\$207.66)	12042
1	3/30/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12038 Approved.		(\$378.92)	12038
1	4/6/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12037 Approved.		(\$574.36)	12037
1	6/15/2014		To Correct April and May 2014 Benefits Cost Ctr for Budget Analyst (R.Travers).		\$60.47	
1	6/15/2014		To Correct April and May 2014 Benefits Cost Ctr for Budget Analyst (R.Travers).		\$60.47	
1	6/29/2014		To Allocate 10% of CFO & Sr. Exec. Asst. Salaries & Benefits to Fd 49		(\$9,093.75)	
2	6/15/1989		Special Tax Admin 1989-90; Portion of Year	Admin	(\$801.00)	
2	11/24/1992	Payment/Muni Financial Service		Consultants	(\$379.86)	
2	10/3/1994	Payment/Muni Financial	CFD Administration	Consultants	(\$1,180.49)	
2	1/19/1999	Spec.Distr.Financing & Admin		Admin. Costs	(\$158.25)	99015
2	8/31/2004		Service Charge	Bank Charge	(\$34.79)	
2	1/31/2005		Service Charge	Bank Charge	(\$29.97)	
2	5/12/2013	U.S. Bank Trust National Association	Apply Expenditure when Invoice 3382250 Approved.		(\$58.49)	3382250
3	9/17/1993	Payment/Willdan Associates	Professional Services	Uncategorized Expenses	(\$4,188.00)	
3	7/23/1997	Payment/Jeff Hamill	Quarterly Admin. Fees	Admin Expenses	(\$1,192.88)	
3	2/28/1999		Service Charge	Bank Charge	(\$13.94)	
3	3/31/2001		Service Charge	Bank Charge	(\$23.44)	
3	1/24/2002	Spec.Distr. Financing & Admin		Consultants	(\$1,261.13)	2029
3	8/31/2002		Service Charge	Bank Charge	(\$115.25)	
4	11/14/1995	Payment/Muni Financial	1990 Arbitrage	Consultants	(\$313.33)	
4	12/11/1995	Payment/Jeffery Hamill	CFD Administration	Consultants	(\$178.75)	
4	10/17/2000	Spec. Dist. Financing & Admin		Consultants	(\$673.00)	00197
4	2/28/2001		Service Charge	Bank Charge	(\$16.22)	
4	5/16/2001	U.S. Bank	1997 Issue-Split Between CFD 1-5	Admin. Costs	(\$770.00)	CTS00795179
4	9/30/2004		Service Charge	Bank Charge	(\$37.61)	
4	5/12/2013	U.S. Bank Trust National Association	Apply Expenditure when Invoice 3382252 Approved.		(\$199.45)	3382252
5	4/14/2013	Special District Financing & Administration	Apply Expenditure when Invoice 11576 Approved.		(\$353.25)	11576
5	6/30/2013		CL-To Accrue Inv.#11767 SDFY12-13		(\$34.82)	
5	9/22/2013		Expenditure Adjustment when Invoice 29885 Cancelled		\$87.58	29885
6	2/29/2000		Service Charge	Bank Charge	(\$6.84)	
6	5/6/2002	Special District Financing & Administrati		Consultants	(\$1,835.13)	2125
6	4/30/2004		Service Charge	Bank Charge	(\$38.75)	
6	1/20/2013	Special District Financing & Administration	Apply Expenditure when Invoice 11432 Approved.		(\$1,148.25)	11432
6	3/16/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12040 Approved.		(\$155.91)	12040
7	7/31/2006	Special District Financing & Administration		Consultant	(\$14,881.42)	06382-06396
7	1/4/2007	U.S. Bank		Consultant	(\$250.00)	1805027 (COP 2001)
8	10/23/2001	Spec.Distr.Financing & Admin		Consultants	(\$188.75)	01312
8	1/31/2002		Service Charge	Bank charges	(\$29.82)	
8	4/15/2003	Spec.Distr.Financing & Admin		Consultants	(\$187.13)	3178
8	10/31/2003		Service Charge	Bank charges	(\$30.23)	
9	2/7/2000	Spec.Distr. Financing & Admin		Consultants	(\$468.75)	00041
9	2/28/2001		Service Charge	Bank	(\$12.00)	
9	10/21/2002	Spec.Distr. Financing & Admin		Consultants	(\$850.63)	2289-9A
9	6/30/2004		Service Charge	Bank	(\$12.00)	
9	12/31/2004		Service Charge	Bank	(\$12.00)	

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF NON-FACILITIES EXPENDITURES REVIEWED [1]**

CFD No.	Date	Name	Memo	Split	Amount	Invoice No.
9	5/25/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12074 Approved.		(\$322.84)	12074
9B	10/21/2002	Spec.Distr. Financing & Admin		Consultants	(\$407.75)	2290-9B
10	1/30/1998	Deluxe Check Fee	Order of Checks for CFD #10	Bank Charge	(\$20.10)	
11	2/29/2004		Service Charge	Union Bank	\$12.00	
12	3/31/2002		Service Charge	Bank Charge	(\$12.00)	
12	10/21/2002	Special District Financing & Administration		Consultants	(\$555.50)	2293
12	9/30/2004		Service Charge	Bank Charge	(\$12.00)	
12	5/25/2014	Special District Financing & Administration	Apply Expenditure when Invoice 12184 Approved.		(\$479.95)	12184
13	8/31/2000		Service Charge	Bank Charge	(\$14.64)	
13	10/31/2000		Service Charge	Bank Charge	(\$14.16)	
14	6/30/2013		CL-To Accrue Inv.#29701 Bowie, Arneson		(\$96.38)	
15	8/18/2013	Special District Financing & Administration	Apply Expenditure when Invoice 11769 Approved.		(\$63.03)	11769
16	12/2/2012	Bowie, Arneson, Wiles & Giannone	Apply Expenditure when Invoice 28004 Approved.		(\$27.24)	28004
CFD Formation Expenditures						
1	10/31/1990		Eastlake Dev. Co.; Reimbment of Deposit		(\$25,000.00)	
5	2/25/1993	Payment/Brown, Diven, Hentschke	Annex.#4, Future Annexations	Consultants	(\$3,000.00)	
7	2/8/2006	Bowie, Arneson, Wiles & Giannone		Consultant	(\$9,876.88)	10207-10209, 11134-11136
Debt Obligations Costs of Issuance						
1	2/12/2003	Moody's Investors Service		Consultants	(\$24,500.00)	F1414947-000
5	7/31/1995	Payment/Moody's Investors	1995 Refund	Consultants	(\$1,800.00)	
7	9/28/2001	First American Title Insurance Company	Title Insurance for COPs 2001 - Mello's	Consultant	(\$36,445.00)	

[1] Based on expenditure information from the Dot Matrix, QuickBooks, and TrueCourse accounting systems provided by the School District.

EXHIBIT E

SUMMARY OF FACILITIES EXPENDITURES REVIEWED

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF FACILITIES EXPENDITURES REVIEWED [1]**

CFD	No.	Date	Name	Memo	Split	Amount	Invoice No.
	1	8/28/1987		Assumed Construction		(\$14,220.00)	
	1	2/19/1993	Payment/Otay Water District	Add'l Payment	Otay Water	(\$12,000.00)	
	1	10/9/1998	SUHSD	Reimb. for Sci.Furniture & Equi	Reimbursement	(\$44,832.60)	
	1	2/2/1999	Luce,Forward,Hamilton & Scripp	Planning	S.Y. High #12	(\$5,069.86)	5252020
	1	2/23/1999	Geotechnics Inc.	Construction	S.Y. High #13	(\$6,399.78)	990067
	1	1/4/2000	Law Office of Louis E. Goebel's Client Tr	Final Paymnt of Property for High School #12	S.Y. High #12	(\$1,300,000.00)	
	1	5/7/2002	Helix Environmental Planning, Inc.	Planning	S.Y. High #14	(\$1,761.50)	18585 & 18781
	1	3/28/2003	John Burnham & Company		ELMS	(\$231,900.00)	18387, 18386, 16792
	1	4/4/2005	Murdoch, Walrath & Holmes	Invoice dated 03/01/05	Consultants	(\$4,320.96)	
	1	11/13/2009	Murdoch, Walrath & Holmes	Invoice dated 9/30/09	Consultants	(\$2,000.00)	
	1	3/25/2011	Murdoch, Walrath & Holmes	Invoice dated 02/28/11	Consultants	(\$2,000.00)	
	1	6/10/2012	GCR, LLP	Apply Expenditure when Invoice 4892 Approved.		(\$7,305.00)	4892
	1	8/5/2012	Flores Lund Consultants, Inc.	Apply Expenditure when Invoice 20558 ELHObservatory Approved. To Reclassify Bowie, Arneson, Wiles & Giannone Inv.'s#27544, 27708 Paid		(\$382.25)	20558 ELHObservatory
	1	10/28/2012		09/11/12 and 10/17/2012		\$187.75	27544, 27708
	1	5/19/2013	Williams Scotsman, Inc.	Apply Expenditure when Invoice 97001135 Approved.		(\$1,065.00)	97001135
	1	5/26/2013		Expenditure - Payroll Upload for Period May, 2013		(\$13,802.47)	
	1	6/2/2013	Williams Scotsman, Inc.	Apply Expenditure when Invoice 97054276 Approved.		(\$1,065.00)	97054276
	1	6/23/2013	Nasland Engineering	Apply Expenditure when Invoice 93352 ORH Drainage Approved.		(\$1,272.50)	93352 ORH Drainage
	1	6/23/2013		Expenditure - Payroll Upload for Period June, 2013		(\$24.94)	
	1	8/25/2013	Bender Dean Engineering	Apply Expenditure when Invoice 13025-04 BVH HVAC Approved.		(\$14,000.00)	13025-04 BVH HVAC
	1	10/13/2013	Bender Dean Engineering	Apply Expenditure when Invoice 13025-05 BVH-HVAC Approved.		(\$7,894.16)	13025-05 BVH-HVAC
	1	1/26/2014		Expenditure - Payroll Upload for Period January, 2014		(\$1,283.42)	
	1	3/2/2014		Expenditure Adjustment when Invoice 0007029 Cancelled		\$769.10	0007029
	1	3/23/2014		Expenditure - Payroll Upload for Period March, 2014		(\$2,190.20)	
	1	3/23/2014		Expenditure - Payroll Upload for Period March, 2014		(\$9.54)	
	1	4/13/2014		To Reclass Rehabilitation Expenditures to Goal 9011		(\$394.80)	
	1	5/4/2014	Consulting & Inspection Services, LLC	Apply Expenditure when Invoice 2812 ELH Approved.		(\$4,248.00)	2812 ELH
	1	6/22/2014		Expenditure - Payroll Upload for Period June, 2014		(\$0.64)	
	1	6/29/2014		To Move Expense to Correct JV80220 Acct for PO 499670 Inv A-210901		(\$21,445.85)	
	1	6/29/2014		To Move Expense to Correct JV80220 Acct for PO 499670 Inv A-210642		(\$3,588.36)	
	1	6/29/2014		To Move Expense to Correct JV80201 Acct for PO 499670 Inv A-210641		(\$1,254.62)	
	1	6/29/2014		Reversal Due to Cancellation of JV CL1107 (CL1107: Retro Accruals)		\$282.36	
	1	6/29/2014		2013-14 Retro Accruals		(\$282.36)	
	2	9/11/1995	Payment/Martinez Cutri McArdle	Middle School/Rancho del Rey	Consultants	(\$18,126.12)	
	2	7/28/2013	School Facility Consultants	Apply Expenditure when Invoice 0006552 Approved.		(\$83.00)	6552
	2	1/26/2014	School Facility Consultants	Apply Expenditure when Invoice 0006943 Approved.		(\$36.43)	6943
	3	11/25/1998	Luce, Forward, Hamilton & Scrip		Consultants	(\$380.00)	5220817
	3	12/9/1998	SUHSD	Interim Housing RDR final Reimb	Reimbursement	(\$20,324.00)	
	3	1/6/1999	Helix Environ. Planning Inc.		S.Y. H.S. #12	(\$622.80)	13420
	3	4/29/1999	Sweetwater Union H.S. District	50% of Salaries for Planning Staff	Admin Expenses	(\$30,941.20)	
	3	9/5/2002	Davis Demographics & Planning, Inc.	Planning	Misc. Schools-Constl.	(\$6,090.00)	11547
	3	10/16/2002	John Burnham & Company	Split between 1 & 3	ELMS	(\$364,012.50)	11179, 11180, 11206, 11208, 11221, 11222, 11224, 11225
	4	9/11/1995	Payment/Martinez Cutri McArdle	Middle School/Rancho del Rey	Consultants	(\$18,126.12)	
	5	6/22/1998	SUHSD	For 50% of Margie/Andy salary	Admin. Costs	(\$16,318.80)	
	6	2/14/2002	John Burnham & Company	Construction	Otay Ranch H.S. #11	(\$606,120.00)	187595
	6	1/26/2014	School Facility Consultants	Apply Expenditure when Invoice 0006845 Approved.		(\$355.95)	0006845
	7	1/7/2000	Sweetwater Union H.S. District	Reimbursement to SSBF	Reimbursement	(\$459,334.00)	
	7	2/27/2004	School Facility Consultants	Invoice Dated 12/2003	Consultant	(\$4,800.00)	
	7	6/17/2005	Sweetwater Union H.S. District	Reimb. to Cover Salaries & Benefits for 04-05 100% Katy, 50% Patty, Lisa, Susan	Admin. Costs	(\$235,631.19)	
	8	5/3/2000	Sweetwater Union H.S. District	Reimbursement to SSBF H.S. 11; Construction	Otay Ranch H.S. #11	(\$41,000.00)	
	8	1/26/2014		Expenditure Adjustment when Invoice 0006845 Cancelled		\$43.18	0006845

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF FACILITIES EXPENDITURES REVIEWED [1]**

CFD						
No.	Date	Name	Memo	Split	Amount	Invoice No.
9	5/3/2000	Sweetwater Union H.S. District	Reimbursement to SSBF H.S. 12; Construction	S.Y. H.S. #12	(\$24,000.00)	
9	5/3/2000	Sweetwater Union H.S. District	Reimbursement to SSBF H.S. 11; Construction	Otay Ranch H.S. #11	(\$17,000.00)	
9	5/24/2001	School Facility Consultants	Monthly Contract Fee - March	Consultants	(\$3,750.00)	
9	12/16/2002	Rudolph and Sletten, Inc.		S.Y. H.S. #12	(\$23,320.00)	17
10	10/6/2013	School Facility Consultants	Apply Expenditure when Invoice 0006693 Approved.		(\$192.30)	0006693
10	3/2/2014		Expenditure Adjustment when Invoice 0007029 Cancelled		\$192.30	0007029
11	5/17/2002	School Facility Consultants	Invoice dated 03/31/02	Consultants	(\$4,800.00)	
11	4/1/2003	School Facility Consultants	Invoice dated 1/31/03	Consultants	(\$4,800.00)	
			Expenditure Adjustment when Invoice 0007029 Cancelled. Invoice 0007029			
13	3/2/2014		Description: School Facility Consultants		\$113.63	0007029
14	6/29/2014		Accrue D/P School Facility Consultants inv. 7440 CFD 1-8 & 10-17		(\$181.57)	
17	12/2/2012	Murdoch Walrath and Holmes	Apply Expenditure when Invoice 9/12 Final Approved.		(\$38.05)	9/12 Final

[1] Based on expenditure information from the Dot Matrix, QuickBooks, and TrueCourse accounting systems provided by the School District.

taussig-client/Sweetwater Union High School District/CFD Audit/Verification Summaries

EXHIBIT F

SPECIAL TAX REVENUES ANALYSIS

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SPECIAL TAX REVENUES ANALYSIS
AGGREGATE TOTALS**

Fiscal Year	Total Levy Amount [1]	Apportionment Number [1]	Apportionment Date [1]	Current Secured Received [1]	Current Difference	Prior Year Delinquent Received [1]	Current + PY Received (in the Following Year) Difference [2]
2013-2014	\$24,328,419	13	7/17/2014	\$24,126,922	-0.83%	\$374,600	NA
2012-2013	\$24,298,918	13	7/16/2013	\$24,044,809	-1.05%	\$574,947	0.50%
2011-2012	\$23,561,689	13	7/17/2012	\$23,171,769	-1.65%	\$506,125	0.79%
2010-2011	\$22,858,138	13	7/19/2011	\$22,472,222	-1.69%	\$1,243,028	0.53%
2009-2010	\$22,233,458	14	7/21/2010	\$21,401,397	-3.74%	\$1,519,511	1.85%
2008-2009	\$21,543,275	14	7/14/2009	\$20,270,957	-5.91%	\$1,691,160	1.15%
2007-2008	\$20,401,363	14	7/15/2008	\$18,893,839	-7.39%	\$1,144,677	0.90%
2006-2007	\$19,433,819	13	7/17/2007	\$18,455,334	-5.03%	\$585,053	0.86%
2005-2006	\$18,240,021	13	7/18/2006	\$17,574,794	-3.65%	\$816,122	-0.44%
2004-2005	\$16,902,997	13	7/19/2005	\$16,020,613	-5.22%	\$255,326	-0.39%
2003-2004	\$13,976,793	13	7/20/2004	\$13,749,492	-1.63%	\$237,273	0.20%
2002-2003	\$11,848,138	13	7/22/2003	\$11,661,508	-1.58%	\$385,866	0.43%
2001-2002	\$9,733,114	13	7/23/2002	\$9,410,247	-3.32%	\$154,726	0.65%
2000-2001	\$8,406,024	13	7/24/2001	\$8,205,796	-2.38%	\$153,391	-0.54%
1999-2000	\$6,797,424	13	7/25/2000	\$6,657,335	-2.06%	\$118,253	0.20%
1998-1999	\$5,498,231	13	7/20/1999	\$5,407,842	-1.64%	\$132,102	0.51%
1997-1998	\$4,708,907	13	7/21/1998	\$4,601,383	-2.28%	\$142,098	0.52%
1996-1997	\$4,117,911	13	7/22/1997	\$4,001,171	-2.83%	\$153,112	0.62%
1995-1996	\$3,475,507	13	7/23/1996	\$3,347,610	-3.68%	\$94,168	0.73%
1994-1995	\$3,003,675	13	7/25/1995	\$2,924,859	-2.62%	\$98,785	0.51%

[1] Based on San Diego County ACAP-234A Apportionment Summary Reports provided by SDFa on 11/25/2014. Total levy amount may not match "Historical Net Special Tax Levies" provided by SDFa on 11/14/2014. Based on discussions with SDFa, special taxes were not enrolled on certain publicly-owned parcels, and certain adjustments were made after the calculation of the levy.

[2] Reflects difference between (a) current year levy and (b) total current secured received as of the apportionment date indicated, plus prior year received in the following year as of the following year's apportionment date indicated.

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF SPECIAL TAXES RECEIVED VERIFICATION
SAMPLING OF CFDS**

Fiscal Year	CFD No.	Total Levy [1]	Apportionment Date [1]	Current Secured Apportioned [1]	Prior Year Apportioned [1]	Interest and Penalties Apportioned [1]	Total Amount Apportioned as of Apportionment Date [1]	Actual Deposits During Fiscal Year [2]	Difference: Total Apportioned vs. Deposited [3]
2013-2014	4	\$1,309,847	7/17/2014	\$1,301,313	\$13,941	\$273	\$1,315,527	\$1,323,220	0.58%
2013-2014	10	\$1,488,861	7/17/2014	\$1,479,013	\$32,653	\$314	\$1,511,979	\$1,500,407	-0.77%
2012-2013	12	\$713,478	7/16/2013	\$706,594	\$13,626	\$143	\$720,362	\$718,725	-0.23%
2012-2013	6	\$2,458,401	7/16/2013	\$2,436,152	\$60,467	\$495	\$2,497,115	\$2,495,729	-0.06%
2011-2012	3	\$2,367,274	7/17/2012	\$2,330,431	\$39,137	\$585	\$2,370,153	\$2,376,645	0.27%
2011-2012	14	\$1,549,901	7/17/2012	\$1,514,617	\$49,722	\$386	\$1,564,726	\$1,563,861	-0.06%
2010-2011	1	\$7,010,607	7/19/2011	\$6,893,660	\$346,356	\$2,927	\$7,242,943	\$7,288,122	0.62%
2010-2011	5	\$623,278	7/19/2011	\$615,931	\$33,090	\$260	\$649,281	\$651,157	0.29%
2009-2010	11	\$1,487,218	7/21/2010	\$1,433,164	\$96,023	\$1,089	\$1,530,276	\$1,531,595	0.09%
2009-2010	17	\$246,739	7/21/2010	\$195,839	\$31,988	\$207	\$228,033	\$267,174	17.16% [4]
2008-2009	2	\$382,510	7/14/2009	\$363,036	\$19,368	\$615	\$383,019	\$382,822	-0.05%
2008-2009	13	\$657,311	7/14/2009	\$604,151	\$58,198	\$1,093	\$663,443	\$665,112	0.25%
2007-2008	8	\$165,725	7/15/2008	\$153,117	\$10,900	\$493	\$164,510	\$176,232	7.13% [5]
2007-2008	16	\$290,002	7/15/2008	\$277,133	\$0	\$796	\$277,928	\$277,237	-0.25%
2006-2007	15	\$662,654	7/17/2007	\$607,161	\$68,844	\$2,292	\$678,297	\$761,453	12.26% [6]
2006-2007	9A,9B	\$898,870	7/17/2007	\$853,990	\$20,914	\$2,812	\$877,716	\$878,909	0.14%
2005-2006	10	\$992,634	7/18/2006	\$934,465	\$12,450	\$2,471	\$949,386	\$944,275	-0.54%
2005-2006	14	\$809,695	7/18/2006	\$775,873	\$4,005	\$2,016	\$781,893	\$657,010	-15.97% [7]
2004-2005	1	\$5,439,953	7/19/2005	\$4,977,502	\$100,995	\$7,935	\$5,086,432	\$5,090,815	0.09%
2004-2005	6	\$2,204,721	7/19/2005	\$2,022,693	\$35,475	\$3,199	\$2,061,368	\$2,063,445	0.10%
2003-2004	11	\$796,789	7/20/2004	\$782,907	\$13,751	\$920	\$797,578	\$797,376	-0.03%
2003-2004	5	\$544,736	7/20/2004	\$534,779	\$12,784	\$635	\$548,199	\$544,868	-0.61%
2002-2003	3	\$2,071,024	7/22/2003	\$2,035,937	\$46,221	\$3,771	\$2,085,929	\$2,099,312	0.64%
2002-2003	12	\$237,597	7/22/2003	\$234,572	\$494	\$424	\$235,489	\$232,407	-1.31%
2001-2002	2	\$334,460	7/23/2002	\$328,916	\$7,665	\$1,021	\$337,602	\$341,143	1.05%
2001-2002	4	\$713,058	7/23/2002	\$698,809	\$5,285	\$2,147	\$706,241	\$707,669	0.20%
2000-2001	9A,9B	\$267,944	7/24/2001	\$262,204	\$1,171	\$1,182	\$264,557	\$260,788	-1.42%
2000-2001	10	\$32,651	7/24/2001	\$32,651	\$0	\$159	\$32,811	\$31,733	-3.28% [8]
1999-2000	8	\$125,813	7/25/2000	\$124,626	\$382	\$428	\$125,436	\$125,160	-0.22%
1999-2000	6	\$272,687	7/25/2000	\$258,147	\$0	\$924	\$259,072	\$264,150	1.96%
1998-1999	1	\$2,645,830	7/20/1999	\$2,603,125	\$74,975	\$7,178	\$2,685,278	\$2,706,158	0.78%
1998-1999	5	\$477,685	7/20/1999	\$472,179	\$6,879	\$1,284	\$480,342	\$480,856	0.11%
1997-1998	3	\$1,355,201	7/21/1998	\$1,330,138	\$38,828	\$3,301	\$1,372,268	\$1,468,631	7.02% [9]
1997-1998	2	\$346,156	7/21/1998	\$339,099	\$14,490	\$863	\$354,452	\$365,503	3.12% [10]
1996-1997	4	\$182,710	7/22/1997	\$178,707	\$5,908	\$329	\$184,944	\$184,391	-0.30%
1996-1997	1	\$2,133,192	7/22/1997	\$2,086,145	\$52,480	\$3,561	\$2,142,185	\$2,159,740	0.82%
1995-1996	3	\$808,295	7/23/1996	\$776,112	\$24,850	\$1,690	\$802,653	\$817,772	1.88%
1995-1996	5	\$386,222	7/23/1996	\$345,583	\$8,836	\$802	\$355,221	\$354,940	-0.08%
1994-1995	2	\$326,191	7/25/1995	\$306,815	\$17,326	\$725	\$324,866	\$323,943	-0.28%
1994-1995	1	\$1,580,806	7/25/1995	\$1,553,759	\$48,146	\$3,088	\$1,604,993	\$1,583,959	-1.31%

**SWEETWATER UNION HIGH SCHOOL DISTRICT
SUMMARY OF SPECIAL TAXES RECEIVED VERIFICATION
SAMPLING OF CFDS**

Fiscal Year	CFD No.	Total Levy [1]	Apportionment Date [1]	Current Secured Apportioned [1]	Prior Year Apportioned [1]	Interest and Penalties Apportioned [1]	Total Amount Apportioned as of Apportionment Date [1]	Actual Deposits During Fiscal Year [2]	Difference: Total Apportioned vs. Deposited [3]
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[1] Based on San Diego County ACAP-232A Apportionment Detail Reports provided by SDFa on 11/25/2014. Total levy amount may not match "Historical Net Special Tax Levies" provided by SDFa on 11/14/2014. Based on discussions with SDFa, special taxes were not enrolled on certain publicly-owned parcels, and certain adjustments were made after the calculation of the levy.

[2] Based on revenue and expenditure data from the DotMatrix, Quickbooks, and TrueCourse accounting systems provided by the School District. Includes transactions coded as "Special Taxes" or similar.

[3] Because (1) A CFD's final apportionment for a fiscal year is deposited to the School District account for that CFD in the next fiscal year, and (2) Prior to depositing funds to CFD accounts, the County deducts a small per-parcel charge for the enrollment and collection of taxes on the County tax roll, the total apportionment for a fiscal year is unlikely to be exactly equal to the total deposits for such fiscal year.

[4] Actual Deposits includes \$38,115 deposited on 7/14/2009 for FY 2008-2009 and prior year taxes. When such amount is excluded from the deposits, the difference between the amount apportioned and amount deposited is 0.45%.

[5] Based on discussions with the School District, actual deposits includes \$5,304 and \$5,801 of interest income that were incorrectly coded as special tax revenues, and excludes \$838 of special tax revenues that was incorrectly coded as interest income. Accounting for the miscodings, the difference between the amount apportioned and amount deposited is 0.88%.

[6] Based on discussions with the School District, actual deposits includes \$84,582 in special taxes for CFD Nos. 16 and 17 that the County incorrectly deposited to CFD No. 15. When such amount is excluded from the deposits, the difference between the amount apportioned and amount deposited is -0.21%.

[7] Based on discussions with the School District, actual deposits excludes \$118,679 in special taxes for CFD Nos. 14 that the County incorrectly deposited to CFD No. 13. When such amount is included in the deposits, the difference between the amount apportioned and amount deposited is -0.79%.

[8] Actual Deposits excludes \$1,667 deposited on 7/24/2001 for FY 2000-2001 taxes. When such amount is included in the deposits, the difference between the amount apportioned and amount deposited is 1.80%.

[9] Actual Deposits includes \$90,860 deposited on 9/23/1997 and \$8,617 deposited on 3/6/1998 for prepayments. When such amount is excluded from the deposits, the difference between the amount apportioned and amount deposited is -0.23%.

[10] Actual Deposits includes \$6,023 deposited on 7/1/1997 for FY 1996-1997 and prior year taxes. When such amounts are excluded from the deposits, the difference between the amount apportioned and amount deposited is 1.42%.

taussig-client/Sweetwater Union High School District/CFD Audit/Verification Summaries

EXHIBIT G

FISCAL YEAR 2013-2014 SPECIAL TAX LEVY ANALYSIS

**SWEETWATER UNION HIGH SCHOOL DISTRICT
FISCAL YEAR 2013-2014 SPECIAL TAX LEVY ANALYSIS
MAXIMUM SPECIAL TAX RATES [1]**

CFD No.	Original Tax Rate Year [2]	Taxing Category	per Unit/ per SF	1986	1987	1988	1989	1990	2009	2010	2011	2012	2013
				1987	1988	1989	1990	1991	2010	2011	2012	2013	2014
1	FY 1986-1987	I	per Unit	\$290.00	\$298.41	\$304.68	\$310.77	\$328.79	\$602.35	\$616.81	\$637.78	\$650.54	\$663.55
2	FY 1987-1988	I	per Unit		\$303.00	\$309.36	\$315.55	\$333.85	\$611.62	\$626.30	\$647.59	\$660.54	\$673.75
3	FY 1988-1989	I	per SF			\$0.2200	\$0.2244	\$0.2374	\$0.4349	\$0.4454	\$0.4605	\$0.4697	\$0.4791
4	FY 1988-1989	I	per SF			\$0.2200	\$0.2244	\$0.2374	\$0.4349	\$0.4454	\$0.4605	\$0.4697	\$0.4791 [5]
5	FY 1988-1989	I	per SF			\$0.2340	\$0.2387	\$0.2525	\$0.4626	\$0.4737	\$0.4898	\$0.4996	\$0.5096
6	FY 1997-1998	I	per SF						\$0.4263	\$0.4365	\$0.4513	\$0.4604	\$0.4696
8	FY 1992-1993	I	per SF						\$0.2970	\$0.3041	\$0.3145	\$0.3208	\$0.3272
9A	FY 1997-1998	LUC 1	per Unit						\$796.69	\$815.81	\$843.55	\$860.42	\$877.63
9B	FY 1997-1998	LUC 1	per Unit						\$382.59	\$391.77	\$405.09	\$413.20	\$421.46
10, Zone A	FY 1997-1998	LUC 1	per SF						\$0.5041	\$0.5162	\$0.5338	\$0.5444	\$0.5553
10, Zone B	FY 1997-1998	LUC 1	per SF						\$0.3451	\$0.3534	\$0.3654	\$0.3727	\$0.3801
11	FY 1997-1998	I	per SF						\$0.4374	\$0.4479	\$0.4631	\$0.4723	\$0.4818
12	FY 1999-2000	I	per SF						\$0.3447	\$0.3530	\$0.3650	\$0.3723	\$0.3797
13	FY 1999-2000	I	per SF						\$0.3437	\$0.3519	\$0.3639	\$0.3712	\$0.3786
14	FY 2001-2002	I	per SF						\$0.4407	\$0.4513	\$0.4667	\$0.4760	\$0.4855
15	FY 2001-2002	I	per SF						\$0.4637	\$0.4748	\$0.4909	\$0.5008	\$0.5108
16	FY 2004-2005	I	per SF						\$0.7219	\$0.7392	\$0.7644	\$0.7797	\$0.7953
17	[6] FY 2005-2006	I	per SF						\$0.4480	\$0.4616	\$0.4784	\$0.4919	\$0.5058
18	FY 2012-2013	I	per SF									\$0.5455	\$0.5564
Building Cost Index - Los Angeles (BCI) [3]				2,686.93	2,764.85	2,824.25	2,847.69	3,013.99	5,074.08	5,195.09	5,374.12	5,465.22	5,556.73
Escalator [4]					2.90%	2.10%	2.00%	5.80%	3.80%	2.40%	3.40%	2.00%	2.00%

[1] First and last five years shown due to space constraints. Maximum special tax rates for property classified as Developed Property for the first time in subject fiscal year.

[2] Original tax rates from the respective RMAs.

[3] Defined in the RMAs as the Engineering New-Record (ENR) Building Cost Index for Los Angeles. Based on discussions with SDFA, measured as of each July 1. Data for 2005-2013 from the ENR website, data from prior to 2005 from SDFA on 12/19/2014.

[4] Based on discussions with the SDFA, all CFDs use the same escalation. The escalation for all CFD tax rates except for CFD No. 17 land rate is equal to the greater of the change in BCI measured on July 1 of each year, or two percent.

[5] The fiscal year 2013-2014 maximum special tax rate listed in the Special Tax Levy Report is \$0.475 per SF. Based on discussions with SDFA, the correct rate is \$0.479 per SF, and will be reflected on future Special Tax Levy Reports.

[6] The escalation for the CFD No. 17 land rate is equal to the greater of the change in BCI measure on July 1 of each year, or four percent.

EXHIBIT H

FISCAL YEAR 2013-2014 AND PRIOR YEAR DELINQUENCY ANALYSIS

**SWEETWATER UNION HIGH SCHOOL DISTRICT
FISCAL YEAR 2013-2014 DELINQUENCY REPORT AS OF FISCAL YEAR-END [1]**

CFD No.	Total Levy Amount [1,2]	Current Secured Received [1]	Current Difference
1	\$6,802,588	\$6,729,804	-1.07%
2	\$299,696	\$297,767	-0.64%
3	\$2,426,272	\$2,409,653	-0.68%
4	\$1,309,847	\$1,301,313	-0.65%
5	\$647,992	\$643,051	-0.76%
6	\$2,444,658	\$2,422,497	-0.91%
8	\$178,694	\$176,827	-1.05%
9A	\$955,624	\$950,696	-0.52%
9B	\$124,447	\$123,566	-0.71%
10	\$1,488,861	\$1,479,013	-0.66%
11	\$1,569,701	\$1,559,917	-0.62%
12	\$709,401	\$705,012	-0.62%
13	\$907,852	\$901,367	-0.71%
14	\$1,685,071	\$1,672,072	-0.77%
15	\$905,100	\$895,834	-1.02%
16	\$1,025,719	\$1,023,176	-0.25%
17	\$846,897	\$835,358	-1.36%
18	\$0	\$0	0.00%
Total	\$24,328,419	\$24,126,922	-0.83%

[1] Based on San Diego County ACAP-232A Apportionment Summary Reports provided by SDFA on 11/25/2014. Amounts received as of 7/14/2014.

[2] Total levy amount may not match "Historical Net Special Tax Levies" provided by SDFA on 11/14/2014. Based on discussions with SDFA, special taxes were not enrolled on certain publicly-owned parcels, and certain adjustments were made after the calculation of the levy.

taussig-client/Sweetwater Union High School District/CFD Audit/Verification Summaries

**SWEETWATER UNION HIGH SCHOOL DISTRICT
PRIOR YEAR DELINQUENCY REPORT AS OF JULY 23, 2014 [1]
FISCAL YEAR 2013-2014 AND PRIOR YEARS**

CFD No.	Fiscal Year 2004-2005	Fiscal Year 2005-2006	Fiscal Year 2006-2007	Fiscal Year 2007-2008	Fiscal Year 2008-2009	Fiscal Year 2009-2010	Fiscal Year 2010-2011	Fiscal Year 2011-2012	Fiscal Year 2012-2013	Fiscal Year 2013-2014	Total Delinquency
1	\$0.00	\$0.00	\$0.00	\$1,151.98	\$2,078.52	\$6,647.21	\$9,517.19	\$11,423.08	\$23,861.46	\$69,239.40	\$123,918.84
2	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,966.88	\$3,011.26	\$1,928.98	\$6,907.12
3	\$407.76	\$0.00	\$0.00	\$0.00	\$2,879.11	\$3,826.38	\$2,303.58	\$4,738.56	\$7,428.12	\$15,448.44	\$37,031.95
4	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,325.22	\$1,433.75	\$2,644.62	\$3,577.65	\$8,533.74	\$18,514.98
5	\$0.00	\$0.00	\$0.00	\$0.00	\$206.13	\$0.00	\$0.00	\$766.36	\$786.56	\$4,941.05	\$6,700.10
6	\$0.00	\$0.00	\$0.00	\$0.00	\$856.02	\$0.00	\$1,432.51	\$2,021.12	\$5,655.30	\$21,597.03	\$31,561.98
8	\$0.00	\$0.00	\$0.00	\$0.00	\$319.42	\$167.82	\$0.00	\$174.66	\$0.00	\$1,867.56	\$2,529.46
9A	\$0.00	\$0.00	\$0.00	\$0.00	\$789.66	\$1,810.38	\$1,726.52	\$1,738.70	\$1,364.02	\$4,746.91	\$12,176.19
9B	\$0.00	\$0.00	\$0.00	\$0.00	\$259.66	\$264.86	\$270.16	\$275.56	\$515.72	\$880.27	\$2,466.23
10	\$0.00	\$0.00	\$0.00	\$0.00	\$688.12	\$701.38	\$709.38	\$1,312.31	\$4,825.87	\$9,848.09	\$18,085.15
11	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$622.52	\$3,579.78	\$4,489.33	\$9,269.42	\$17,961.05
12	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$782.18	\$4,025.72	\$4,807.90
13	\$0.00	\$0.00	\$0.00	\$0.00	\$453.96	\$955.10	\$482.18	\$975.36	\$2,367.89	\$5,873.87	\$11,108.36
14	\$0.00	\$0.00	\$0.00	\$0.00	\$345.87	\$0.00	\$361.72	\$2,509.28	\$3,922.91	\$12,998.79	\$20,138.57
15	\$0.00	\$0.00	\$0.00	\$0.00	\$526.44	\$544.34	\$813.69	\$2,143.24	\$4,823.70	\$9,266.43	\$18,117.84
16	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,249.35	\$2,411.64	\$1,479.04	\$2,542.22	\$8,682.25
17	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$372.22	\$540.61	\$11,538.86	\$12,451.69
Total Delinquency	\$407.76	\$0.00	\$0.00	\$1,151.98	\$9,402.91	\$17,242.69	\$21,922.55	\$39,053.37	\$69,431.62	\$194,546.78	\$353,159.66
Total Levy [2]	\$16,902,997	\$18,240,021	\$19,433,819	\$20,401,363	\$21,543,275	\$22,233,458	\$22,858,138	\$23,561,689	\$24,298,918	\$24,328,419	NA
Delinquency Rate	0.00%	0.00%	0.00%	0.01%	0.04%	0.08%	0.10%	0.17%	0.29%	0.80%	NA
Number of Delinquent Parcels	1	0	0	3	24	32	44	69	112	345	416
Parcels Levied [3]	23,981	26,922	28,342	29,803	30,566	30,651	30,883	31,280	31,043	30,637	NA
Delinquent Parcel Rate	0.00%	0.00%	0.00%	0.01%	0.08%	0.10%	0.14%	0.22%	0.36%	1.13%	NA

[1] Based on Defaulted Unredeemed Delinquent Fixed Charge Special Assessment Parcels by Fund Report prepared by the County on 7/23/2014 and provided by SDF. Total delinquency may not match levy less apportionments from the San Diego County ACAP-234 Apportionment Summary Reports due to timing of data.

[2] Based on San Diego County ACAP-234A Apportionment Summary Reports provided by SDF. Total levy amount may not match "Historical Net Special Tax Levies" provided by SDF on 11/14/2014. Based on discussions with SDF, special taxes were not enrolled on certain publicly-owned parcels, and certain adjustments were made after the calculation of the levy.

[3] Based on "Historical Taxable Parcels" provided by SDF on 11/21/2014.

EXHIBIT I

FISCAL YEAR 2013-2014 INTER-FUND INTEREST EARNINGS ANALYSIS

**SWEETWATER UNION HIGH SCHOOL DISTRICT
FISCAL YEAR 2013-2014 INTER-FUND INTEREST EARNINGS ANALYSIS**

Quarter	CFD No.	Number of Days in Quarter [1]	Total Weighted Daily Balances [1]	Average Weighted Daily Balance [1]	Quarterly Interest Rate [2]	Interest Due [3]	Interest Paid [4]	Difference	Percent Difference
1st Quarter	2	92	\$63,800,000	\$693,478	0.077894%	\$540	\$540	\$0	0.00%
1st Quarter	6	92	\$152,000,000	\$1,652,174	0.077894%	\$1,287	\$1,287	\$0	0.00%
2nd Quarter	13	92	\$8,800,000	\$95,652	0.079767%	\$76	\$76	\$0	0.00%
3rd Quarter	13	90	\$8,000,000	\$88,889	0.088981%	\$79	\$79	\$0	0.00%
4th Quarter	14	91	\$24,000,000	\$263,736	0.098427%	\$260	\$260	\$0	0.00%

[1] Based on "FD 01 Pay Loan Interest" spreadsheets provided by the School District on 12/11/2014.

[2] Based on "Year-End Interest Rates - County Pool" data provided by the School District on 12/11/2014.

[3] Average Weighted Daily Balance multiplied by the Quarterly Interest Rate. Confirmed with "FD 01 Pay Loan Interest" spreadsheets.

[4] From TrueCourse revenue data provided by the School District. Reflects revenue transactions described as "Interest owed for interfund loans."

EXHIBIT J

COST ALLOCATION PLAN

SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
FINANCIAL MODEL

Table with columns for years 1987-2002 and rows for bond construction proceeds allocation to MS facilities. Includes a check row: 'Check: Sum of Allocation to HS/MS equals Total Bond Construction Proceeds'.

Table with columns for years 1987-2002 and rows for debt service allocation to HS facilities. Includes a check row: 'Check: Sum of Allocation to HS/MS equals Total DS'.

Table with columns for years 1987-2002 and rows for debt service allocation to MS facilities. Includes a check row: 'Check: Sum of Allocation to HS/MS equals Total DS'.

Table with columns for years 1987-2002 and rows for total levy by CFD (1-18). Includes a check row: 'Check: Sum of Allocation to HS/MS equals Total DS'.

Table with columns for years 1987-2002 and rows for levy subtotals for bond construction proceeds/DS allocation.

Table with columns for years 1987-2002 and rows for levy subtotals for facilities expenditures allocation.

SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
FINANCIAL MODEL

Table with columns for years 1987-2002 and rows for CFDs Funding New Construction - Middle School, CFDs Funding Modernization - High School, CFDs Funding Modernization - Middle School, CFDs Funding Furnishings/Equipment - High School, CFDs Funding Furnishings/Equipment - Middle School.

VII. Bond Construction Proceeds Allocation by CFD [9]

Table with columns for years 1987-2002 and rows for CFD No. 1 through CFD No. 18, plus a Total row.

Check: Sum of Allocation to CFDs equals Total Bond Proceeds

VIII. Debt Service Allocation by CFD [9]

Table with columns for years 1987-2002 and rows for CFD No. 1 through CFD No. 18, plus a Total row.

Check: Sum of Allocation to CFDs equals Total DS

IX. Parcels Levied by CFD [10]

Table with columns for years 1987-2002 and rows for CFD No. 1 through CFD No. 18, plus a Total row.

X. Administrative Expense Allocation by CFD [11]

Table with columns for years 1987-2002 and rows for CFD No. 1, CFD No. 2, and CFD No. 3.

**SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
FINANCIAL MODEL**

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	
	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	
CFD No. 9A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,703	\$67,195	\$139,599	\$119,133	\$21,836
CFD No. 9B	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,443	\$18,879	\$20,640	\$5,039	
CFD No. 10	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$13,714	\$20,596	\$21,739	\$16,530	
CFD No. 11	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$134,810	\$248,500	\$303,350	\$125,888	
CFD No. 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,918	\$39,111	
CFD No. 13	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$9,727	
CFD No. 14	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CFD No. 15	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CFD No. 16	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CFD No. 17	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
CFD No. 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total	\$171,835	\$684,374	\$859,226	\$287,869	\$222,331	\$25,129	\$17,558	\$20,947	\$4,675,932	\$571,189	\$2,386,228	\$813,624	\$4,164,547	\$5,008,123	\$4,773,549	\$1,821,273	

Check: Sum of Allocation to CFDs equals Total Facilities Expenditures OK OK OK OK OK OK OK OK OK OK OK OK OK OK OK OK

[1] Based on debt service schedules provided in the Official Statements and verified with the aggregate payment schedule provided by the School District on 11/10/14.

[2] Administrative Expenses for FYs 2011-2012 through 2013-2014 based on Objects coded 5810, 5852, or 5890 from TrueCourse data and based discussions with the School District on 11/21/14. Administrative Expenses for FYs 1992-1993 through 2010-2011 based on Accounts coded "Admin Costs," "Bank Charges," or "Consultants" and Payees Bank Charges, Service Fees, BAWG, MuniFinancial, Willdan, Jeff Hammill/S DFA, or US Bank, from Quickbooks data and based on discussions with the School District on 11/25/14. Administrative Expenses for FYs 1987-1988 through 1991-1992 based on Expenditure Type "Admin" from DotMatrix data.

[3] Amount available to pay directly for facilities. Based on amount apportioned to each CFD as of the last apportionment date for the fiscal year, less debt service and administrative expenditures.

[4] Unless otherwise indicated, amount deposited to construction funds from the Official Statements. For each bond series, the amount is divided equally to every year debt service is paid through FY 2013-2014.

[5] For Series 1997 Bonds, \$25,073,000 deposited to construction funds includes "other available funds." Construction proceeds equals bond par amount, less discount, less reserve fund, less costs of insurance.

[6] Based on "Debt Proceeds Usage Percentages" provided by the School District on 11/25/14.

[7] Based on "Historical Net Special Tax Levies" provided by S DFA on 11/14/14.

[8] Based on information from the Cost Allocation Plan.

[9] Allocated based on share of corresponding total levy pursuant to the Cost Allocation Plan.

[10] Based on "Historical Taxable Parcels" provided by S DFA on 11/21/14.

[11] Allocated based on share of total parcels levied pursuant to the Cost Allocation Plan.

[12] For FYs 1994-1995 through FY 2013-2014, based on actual amounts apportioned from County of San Diego ACAP-232A Apportionment Detail Reports provided by S DFA on 11/25/14. For FYs 1987-1988 through 1993-1994, apportionment reports were not available, so the apportionment has been approximated by the levy.

[13] Based on facilities expenditures worksheets provided by the School District on 12/11/14.

[14] Debt service in FY 1992-1993 reduced by \$497,388 due to capitalized interest.

SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
FINANCIAL MODEL

Table with columns for years 2003-2013 and Total. Rows include Special Tax Requirement, Debt Service [1], Special Tax Revenue Bonds Series 1990, 1992, 1995, 1997, COPS Series 2001-2003, Special Tax Revenue Bonds Series 2005A, 2005B, COPS Series 2005 Refunding, PFA Series 2013 Refunding, Subtotal Debt Service, Administrative Expenses [2], Pay-As-You Go [3], and Total Special Tax Requirement.

Check: Total Special Tax Requirement Equals Total Levy OK OK OK OK OK OK OK OK OK OK OK

Table with columns for years 2003-2013 and Total. Rows include Bond Construction Proceeds [4], Special Tax Revenue Bonds Series 1990, 1992, 1995, 1997, COPS Series 2001-2003, Special Tax Revenue Bonds Series 2005A, 2005B, COPS Series 2005 Refunding, PFA Series 2013 Refunding, and Total.

IIa. % of Bond Construction Proceeds Allocated to HS

Table with columns for years 2003-2013 and Total. Rows include Special Tax Revenue Bonds Series 1990, 1992, 1995, 1997, COPS Series 2001-2003, Special Tax Revenue Bonds Series 2005A, 2005B, COPS Series 2005 Refunding, PFA Series 2013 Refunding, and Total.

IIb. % of Bond Construction Proceeds Allocated to MS

Table with columns for years 2003-2013 and Total. Rows include Special Tax Revenue Bonds Series 1990, 1992, 1995, 1997, COPS Series 2001-2003, Special Tax Revenue Bonds Series 2005A, 2005B, COPS Series 2005 Refunding, PFA Series 2013 Refunding, and Total.

IVa. Bond Construction Proceeds Allocation to MS

Table with columns for years 2003-2013 and Total. Rows include Facilities, Special Tax Revenue Bonds Series 1990, 1992, 1995, 1997, COPS Series 2001-2003, Special Tax Revenue Bonds Series 2005A, 2005B, COPS Series 2005 Refunding, PFA Series 2013 Refunding, and Total.

**SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
FINANCIAL MODEL**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
CFD No. 9A	\$6,265	\$48,644	\$373	\$25,701	\$1,915	\$2,905	\$202,450	\$413,007	\$23,732	\$65,678	\$83,793	\$1,223,929
CFD No. 9B	\$1,369	\$10,725	\$83	\$5,283	\$394	\$485	\$14,976	\$32,393	\$3,914	\$872	\$4,962	\$122,457
CFD No. 10	\$6,979	\$60,798	\$547	\$35,230	\$2,765	\$3,551	\$255,300	\$531,564	\$32,251	\$99,449	\$130,511	\$1,231,522
CFD No. 11	\$10,550	\$88,072	\$753	\$48,289	\$4,288	\$4,188	\$129,495	\$278,688	\$35,457	\$11,053	\$73,389	\$1,496,771
CFD No. 12	\$7,471	\$48,009	\$340	\$21,845	\$1,941	\$1,909	\$58,914	\$126,198	\$15,994	\$5,002	\$33,167	\$387,819
CFD No. 13	\$3,409	\$31,767	\$264	\$19,815	\$1,943	\$1,891	\$131,622	\$292,870	\$19,864	\$70,238	\$95,934	\$679,344
CFD No. 14	\$0	\$27,526	\$450	\$36,798	\$3,546	\$3,728	\$119,184	\$270,708	\$35,851	\$11,473	\$78,783	\$588,048
CFD No. 15	\$1,399	\$37,926	\$339	\$22,842	\$2,118	\$2,238	\$74,605	\$160,202	\$20,358	\$6,364	\$42,317	\$370,708
CFD No. 16	\$0	\$0	\$0	\$2,955	\$873	\$1,097	\$88,399	\$196,238	\$13,276	\$62,914	\$108,389	\$474,140
CFD No. 17	\$0	\$0	\$0	\$2,817	\$539	\$696	\$47,364	\$109,248	\$11,813	\$51,272	\$89,493	\$313,241
CFD No. 18	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$182,067	\$1,262,524	\$10,048	\$669,901	\$60,330	\$61,884	\$3,771,493	\$7,887,854	\$545,191	\$1,478,177	\$2,220,033	\$44,653,236

Check: Sum of Allocation to CFDs equals Total Facilities Expenditures

OK OK OK OK OK OK OK OK OK OK OK OK

[1] Based on debt service schedules provided in the Official Statements and verified with the aggregate payment schedule provided by the School District on 11/10/14.

[2] Administrative Expenses for FYs 2011-2012 through 2013-2014 based on Objects coded 5810, 5852, or 5890 from TrueCourse data and based discussions with the School District on 11/21/14. Administrative Expenses for FYs 1992-1993 through 2010-2011 based on Accounts coded "Admin Costs," "Bank Charges," or "Consultants" and Payees Bank Charges, Service Fees, BAWG, MuniFinancial, Willdan, Jeff Hammill/S DFA, or US Bank, from Quickbooks data and based on discussions with the School District on 11/25/14. Administrative Expenses for FYs 1987-1988 through 1991-1992 based on Expenditure Type "Admin" from DotMatrix data.

[3] Amount available to pay directly for facilities. Based on amount apportioned to each CFD as of the last apportionment date for the fiscal year, less debt service and administrative expenditures.

[4] Unless otherwise indicated, amount deposited to construction funds from the Official Statements. For each bond series, the amount is divided equally to every year debt service is paid through FY 2013-2014.

[5] For Series 1997 Bonds, \$25,073,000 deposited to construction funds includes "other available funds." Construction proceeds equals bond par amount, less discount, less reserve fund, less costs of insurance.

[6] Based on "Debt Proceeds Usage Percentages" provided by the School District on 11/25/14.

[7] Based on "Historical Net Special Tax Levies" provided by S DFA on 11/14/14.

[8] Based on information from the Cost Allocation Plan.

[9] Allocated based on share of corresponding total levy pursuant to the Cost Allocation Plan.

[10] Based on "Historical Taxable Parcels" provided by S DFA on 11/21/14.

[11] Allocated based on share of total parcels levied pursuant to the Cost Allocation Plan.

[12] For FYs 1994-1995 through FY 2013-2014, based on actual amounts apportioned from County of San Diego ACAP-232A Apportionment Detail Reports provided by S DFA on 11/25/14. For FYs 1987-1988 through 1993-1994, apportionment reports were not available, so the apportionment has been approximated by the levy.

[13] Based on facilities expenditures worksheets provided by the School District on 12/11/14.

[14] Debt service in FY 1992-1993 reduced by \$497,388 due to capitalized interest.

**SWEETWATER UNION HIGH SCHOOL DISTRICT
COST ALLOCATION PLAN
ESTIMATED FACILITIES FUNDED BY CFD TO DATE [1]**

	Bond Construction Proceeds [2]	Pay-As-You-Go [3]	Total Estimated Facilities Funded	Units at Buildout [4]	Total Estimated Facilities Funded per Unit
CFD No. 1	\$73,186,781	\$27,842,548	\$101,029,329	9,881	\$10,224.61
CFD No. 2	\$5,464,163	\$2,450,767	\$7,914,930	423	\$18,711.42
CFD No. 3	\$28,869,227	\$11,231,776	\$40,101,003	3,915	\$10,242.91
CFD No. 4	\$14,236,889	\$4,880,403	\$19,117,292	2,332	\$8,197.81
CFD No. 5	\$7,906,678	\$3,156,228	\$11,062,906	995	\$11,118.50
CFD No. 6	\$24,193,637	\$7,995,910	\$32,189,547	4,025	\$7,997.40
CFD No. 8	\$1,502,657	\$1,206,352	\$2,709,009	499	\$5,428.88
CFD No. 9A	\$6,790,615	\$4,856,921	\$11,647,536	1,799	\$6,474.45
CFD No. 9B	\$1,220,557	\$835,651	\$2,056,207	1,157	\$1,777.19
CFD No. 10	\$8,717,987	\$5,961,638	\$14,679,625	2,324	\$6,316.53
CFD No. 11	\$14,319,773	\$4,689,835	\$19,009,608	2,220	\$8,562.89
CFD No. 12	\$6,382,735	\$1,964,604	\$8,347,338	909	\$9,182.99
CFD No. 13	\$6,040,352	\$1,903,315	\$7,943,667	1,315	\$6,040.81
CFD No. 14	\$10,345,417	\$3,321,129	\$13,666,546	2,352	\$5,810.61
CFD No. 15	\$6,586,838	\$1,993,772	\$8,580,610	1,539	\$5,575.45
CFD No. 16	\$3,252,150	\$1,213,175	\$4,465,324	909	\$4,912.35
CFD No. 17	\$2,381,154	\$928,826	\$3,309,980	2,775	\$1,192.79
CFD No. 18	\$0	\$0	\$0	3,313	\$0.00
Total	\$221,397,611	\$86,432,848	\$307,830,459	42,682	NA

[1] Allocations shown as of fiscal year 2013-2014, and are expected to change in the future as units in the older CFDs reach the end of their special tax authorizations, and units in the newer CFDs become developed.

[2] For purposes of the Financial Model, DTA has shown all bond construction proceeds allocated as of fiscal year 2013-2014. Bond Construction Proceeds is amount deposited to construction funds from the Official Statements. For each bond series, the amount is divided equally to every year debt service is paid through FY 2013-2014. Allocated to HS and MS facilities based on "Debt Proceeds Usage Percentages" provided by the School District on 11/25/14. Allocated to CFDs based on share of corresponding total levy pursuant to the Cost Allocation Plan.

[3] Amount available to pay directly for facilities. Based on amount apportioned to each CFD as of the last apportionment date for the fiscal year, less debt service and administrative expenditures.

[4] Based on the fiscal year 2013-2014 Special Tax Levy Report.