NEW ISSUE—FULL BOOK-ENTRY

INSURED RATINGS:	**Moody's:**	**Aa3 (negative outlook)**
	S&P:	**AA+ (negative outlook)**
UNDERLYING RATINGS:	**Moody's:**	**Aa3**
	S&P:	**A+**
	Fitch:	**A+**

See "MISCELLANEOUS—Ratings"

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

$85,565,000
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
(CONTRA COSTA COUNTY, CALIFORNIA)
2011 GENERAL OBLIGATION REFUNDING BONDS

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

This Official Statement describes the $85,565,000 West Contra Costa Unified School District (Contra Costa County, California) 2011 General Obligation Refunding Bonds (the "Bonds") which are being issued by the West Contra Costa Unified School District (the "District") to refund a portion of the District's outstanding (i) General Obligation Bonds, Election of 2002, Series A (the "Election of 2002, Series A Bonds"), (ii) General Obligation Bonds, Election of 2002, Series B (the "Election of 2002, Series B Bonds"), (iii) General Obligation Bonds, Election of 2000, Series C (the "Election of 2000, Series C Bonds" and together with the Election of 2002, Series A Bonds and the Election of 2002, Series B Bonds the "Refunded Bonds") and (iv) to pay costs of issuance of the Bonds. See "THE BONDS—Plan of Refunding."

The Bonds are general obligation bonds of the District payable solely from *ad valorem* property taxes levied on taxable property within the District. The Board of Supervisors of Contra Costa County (the "County") is empowered and is obligated to levy ad valorem taxes, without limitation of rate or amount, upon all property within the District subject to taxation by the District (except certain personal property which is taxable at limited rates), for the payment of principal of and interest on the Bonds when due. The Bonds are secured on a parity with other general obligations bonds of the District that will be outstanding following the issuance of the Bonds. See "TAX BASE FOR REPAYMENT OF BONDS—*Ad Valorem* Property Taxation" and "SECURITY FOR THE BONDS."

The Bonds will be issued in book-entry form only, and will be initially issued and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (collectively referred to as "DTC"). Purchasers of beneficial ownership interests in the Bonds will not receive physical certificates representing their interest in the Bonds. Payments of principal of and interest on the Bonds will be paid by The Bank of New York Mellon Trust Company, N.A., as the Paying Agent, Registrar and Transfer Agent (the "Paying Agent"), to DTC for subsequent disbursement to DTC Participants (defined herein) who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS — Book-Entry Only System."

Interest on the Bonds accrues from their date of delivery and is payable semiannually on February 1 and August 1 of each year, commencing February 1, 2012. The Bonds are issuable in denominations of $5,000 or any integral multiple thereof.

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by **ASSURED GUARANTY MUNICIPAL CORP.**

ASSURED GUARANTY
MUNICIPAL

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS.

MATURITY SCHEDULE
(See Inside Front Cover)

This cover page contains certain information for reference only. It is not a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to approval of their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California, Bond Counsel to the District. Certain legal matters will be passed upon for the District by GCR, LLP, Emeryville, California, as Disclosure Counsel to the District. Certain legal matters will be passed on for the Underwriter by its counsel, Nossaman LLP, Irvine, California. It is anticipated that the Bonds, in book-entry form, will be available for delivery through DTC on or about August 25, 2011.

PiperJaffray®

Dated: August 10, 2011

$85,565,000
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
(CONTRA COSTA COUNTY, CALIFORNIA)
2011 GENERAL OBLIGATION REFUNDING BONDS
Base CUSIP©: 952347

Maturity Date (August 1)	*Principal Amount*	*Interest Rate*	*Yield*	*CUSIP© Suffix*
2012	$4,425,000	3.000%	0.800%	WW8
2013	3,800,000	4.000	1.100	WX6
2014	4,880,000	5.000	1.390	WY4
2014	1,405,000	3.000	1.390	XK3
2015	2,960,000	5.000	1.650	WZ1
2015	1,190,000	3.000	1.650	XL1
2015	2,000,000	4.000	1.650	XT4
2016	4,030,000	5.000	1.970	XA5
2016	1,870,000	3.000	1.970	XM9
2017	3,990,000	5.000	2.320	XB3
2017	1,120,000	3.000	2.320	XN7
2018	6,995,000	5.000	2.690	XC1
2018	300,000	3.000	2.690	XP2
2019	6,535,000	5.000	3.000	XD9
2019	1,050,000	3.500	3.000	XQ0
2020	6,885,000	5.000	3.270	XE7
2020	1,000,000	4.000	3.270	XR8
2021	6,010,000	5.000	3.450	XF4
2021	2,195,000	4.000	3.450	XS6
2022	8,545,000	5.250	3.730c	XG2
2023	8,950,000	5.250	3.970c	XH0
2024	5,430,000	5.250	4.110c	XJ6

c Yield calculated to first optional call date of August 1, 2021

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

This Official Statement is not to be construed as a contract with the Underwriter of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

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

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

The information and expression of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or any other parties described herein since the date hereof. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the District. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

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

The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While the District has agreed to provide certain on-going financial and operating data on an annual basis, it does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations or events, conditions or circumstances on which statements are based change. See "MISCELLANEOUS - Continuing Disclosure" and "APPENDIX D - FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and "APPENDIX H – SPECIMEN MUNICIPAL BOND INSURANCE POLICY."

All information material to the making of an informed investment decision with respect to the Bonds is contained in this Official Statement. While the District maintains an internet website for various purposes, none of the information on its website is incorporated by reference into this Official Statement. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

WITH RESPECT TO THIS OFFERING, THE UNDERWRITER MAY ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE BONDS DESCRIBED HEREIN TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED IN THIS

OFFICIAL STATEMENT AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

BOARD OF EDUCATION

Charles T. Ramsey, President
Madeline Kronenberg, Clerk
Antonio Medrano, Member
Elaine R. Merriweather, Member
Tony Thurmond, Member

ADMINISTRATION

Dr. Bruce Harter, Superintendent
Sheri Gamba, Associate Superintendent of Business Services
Wendell C. Greer, Associate Superintendent, K-Adult Education
Bill Fay, Associate Superintendent, Operations
Nia Rashidchi, Assistant Superintendent, Education Services
Ann Reinhagen, Assistant Superintendent, Human Resources
Steve Collins, Special Education Local Plan Director

PROFESSIONAL SERVICES

Financial Advisor

KNN Public Finance, a Division of Zions First National Bank
Oakland, California

Bond Counsel

Stradling Yocca Carlson & Rauth, a Professional Corporation
San Francisco, California

Disclosure Counsel

GCR, LLP
Emeryville, California

Paying Agent

The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

Verification Agent

Causey, Demgen & Moore, Inc.
Denver, Colorado

TABLE OF CONTENTS

$85,565,000
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
(CONTRA COSTA COUNTY, CALIFORNIA)
2011 GENERAL OBLIGATION REFUNDING BONDS

INTRODUCTION

This Official Statement, which includes the cover page, inside cover page, and appendices hereto, is furnished by West Contra Costa Unified School District (the "District"), located in Contra Costa County, California (the "County") to provide information concerning the West Contra Costa Unified School District (Contra Costa County, California) 2011 General Obligation Refunding Bonds (the "Bonds").

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

The District

The District is located in the County in the State of California (the "State"), approximately 15 miles northeast of San Francisco, California. The District encompasses approximately 110 square miles and provides educational services to approximately 235,000 residents of the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo, the unincorporated communities of El Sobrante and Kensington and certain other unincorporated areas within the County. The District's average daily attendance for fiscal year 2010-11 was 27,589 and its fiscal year 2011-12 is projected to be 26,938. Taxable property in the District has a 2010-11 assessed valuation of approximately $21.93 billion. Additional information on the District is provided in Appendices A and C hereto. See "APPENDIX A - INFORMATION CONCERNING THE DISTRICT" and "APPENDIX C – EXCERPTS FROM THE DISTRICT'S 2009-10 AUDITED FINANCIAL STATEMENTS."

The District is governed by a five-member Board of Trustees, each member of which is elected to a four-year term. Elections for positions to the Board are held every four years, alternating between two and three available positions. The management and policies of the District are administered by a Superintendent appointed by the Board who is responsible for day to day District operations as well as the supervision of the District's other key personnel. Dr. Bruce Harter is the District Superintendent. See "APPENDIX A - INFORMATION CONCERNING THE DISTRICT."

Purpose of Issue

The Bonds are being issued by the District to refund a portion of the District's outstanding: (i) General Obligation Bonds, Election of 2002, Series A (the "Election of 2002, Series A Bonds"), (ii) General Obligation Bonds, Election of 2002, Series B (the "Election of 2002, Series B Bonds"), (iii) General Obligation Bonds, Election of 2000, Series C (the "Election of 2000, Series C Bonds" and, together with the Election of 2002, Series A Bonds and the Election of 2002, Series B Bonds, the "Refunded Bonds") and (iv) to pay costs of issuance of the Bonds. See "THE BONDS—Plan of Refunding."

Sources of Payment for the Bonds

The Bonds are general obligation bonds approved by voters within the District and are payable from *ad valorem* property taxes levied by the County upon all property subject to taxation within the District. The Board of Supervisors of the County is empowered and is obligated to annually levy *ad valorem* taxes, without limitation as to rate or amount, upon all property subject to taxation within the District (except certain personal property which is taxable at limited rates) for the payment of the interest, principal, and premium, if any, on the Bonds, when due. See "SECURITY FOR THE BONDS."

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS.

Description of the Bonds

The Bonds. The Bonds mature on August 1 in the years and in the principal amounts set forth on the inside cover page of this Official Statement.

Payments. Interest on the Bonds accrues from the date of delivery of the Bonds at the rates set forth on the inside cover page of this Official Statement, and is payable on February 1, 2012, and semiannually on each February 1 and August 1 thereafter (each a "Bond Payment Date") to the owner of record as of the Record Date, which is the close of business on the fifteenth (15^{th}) day of the month preceding each Bond Payment Date. The principal amount of the Bonds is payable at maturity upon surrender of the applicable Bond for payment.

Registration. The Bonds will be issued in fully registered form only, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), and will be available to actual purchasers of the Bonds (the "Beneficial Owners"), under the book-entry only system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners of the Bonds will not be entitled to receive physical delivery of the Bonds. See "THE BONDS—Book-Entry Only System."

Denominations. The Bonds will be issued and beneficial ownership interests may be purchased by Beneficial Owners in denominations of $5,000 principal amount, or any integral multiple thereof.

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

Tax Matters

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, San Francisco, California ("Bond Counsel"), based on existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest (and original issued discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and corporations. In the further opinion of Bond Counsel, interest (and original issued discount) on the Bonds is exempt from State of California personal income tax. In addition, the difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity is to be sold to the public) and the stated redemption price at maturity with respect to the Bond constitutes original issue discount. See "TAX MATTERS" herein with respect to tax consequences relating to the Bonds.

Authority for Issuance of the Bonds

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

Offering and Delivery of the Bonds

The Bonds will be offered when, as and if issued by the District and received by the Underwriter, subject to the approval of their legality by Bond Counsel. It is anticipated that the Bonds will be available for delivery through the facilities of DTC in New York, New York, on or about August 25, 2011.

Continuing Disclosure

The District will covenant for the benefit of bondholders to make available certain financial information and operating data relating to the District and to provide notices of the occurrence of certain enumerated events in compliance with Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission. The specific nature of the information to be made available and of the notices of material events is summarized below under the caption "MISCELLANEOUS - Continuing Disclosure" and "APPENDIX D— FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change. The District has no obligation to update the information in this Official Statement, except as required by the Continuing Disclosure Certificate to be executed by the District. See "MISCELLANEOUS — Continuing Disclosure" and "APPENDIX D — FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Copies of documents referred to herein and information concerning the Bonds are available from the District through the Associate Superintendent of Business Services, West Contra Costa Unified School District, 1108 Bissell Avenue, Richmond, California 94801-3135, Telephone: (510) 231-1170. The District may impose a charge for copying, mailing and handling.

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

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

All terms used herein and not otherwise defined shall have the meanings given such terms in the Resolution (as defined below).

THE BONDS

Authority for Issuance

The Bonds are being issued pursuant to the provisions of Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Act"), and pursuant to a resolution adopted by the Board of Education of the District on July 27, 2011 (the "Resolution").

Plan of Refunding

In accordance with the Refunding Act, the net proceeds of the Bonds are being issued by the District to refund a portion of the District's outstanding: (i) Election of 2002, Series A Bonds maturing on August 1, 2012 through August 1, 2024, (ii) Election of 2002, Series B Bonds maturing on August 1, 2012 through August 1, 2024, and (iii) Election of 2000, Series C Bonds, maturing on August 1, 2012 through August 1, 2023. The table below sets forth the anticipated portions of the Refunded Bonds being refunded with the net proceeds of the Bonds.

REFUNDED BONDS

Maturity Date August 1	Election of 2002, Series A Bonds	Election of 2002, Series B Bonds	Election of 2000, Series C Bonds
2012	$ 780,000	$ 2,555,000	$ 2,490,000
2013	810,000	2,640,000	2,570,000
2014	845,000	2,735,000	2,660,000
2015	880,000	2,840,000	2,755,000
2016	920,000	2,945,000	2,855,000
2017	960,000	3,065,000	2,965,000
2018	1,005,000	3,190,000	3,080,000
2019	1,050,000	3,320,000	3,205,000
2020	1,100,000	3,460,000	3,340,000
2021	1,155,000	3,605,000	3,480,000
2022	1,215,000	3,760,000	3,630,000
2023	1,275,000	3,925,000	3,785,000
2024	1,340,000	4,105,000	-
TOTAL	**$13,335,000**	**$42,145,000**	**$36,815,000**

The Resolution provides that an amount of net proceeds from the sale of the Bonds will be transferred to the Escrow Agent for deposit into the escrow fund (the "Escrow Fund") established under an Escrow Agreement, dated as of August 1, 2011 (the "Escrow Agreement"), by and between the District and The Bank of New York Mellon Trust Company, N.A., as escrow agent ("the Escrow Agent"), which amount, together with cash held uninvested therein, shall be sufficient to refund the Refunded Bonds. Moneys so transferred will be held in the form of cash.

Causey, Demgen & Moore, Inc., (the "Verification Agent") an independent certified public accountant licensed to practice in the State, acting as verification agent with respect to the Escrow Fund, will certify in writing that moneys deposited and invested in the Escrow Fund, together with earnings thereon, will be sufficient to pay the redemption price of, and interest on the Refunded Bonds, as the same become due.

Redemption Provisions

Optional Redemption of the Bonds. The Bonds maturing on or before August 1, 2021, are not subject to redemption prior to their maturity dates. The Bonds maturing on or after August 1, 2022, may be redeemed before maturity at the option of the District on any date on or after August 1, 2021, as a whole, or in part, by lot, from such maturities as are selected by the District. The Bonds will be deemed to consist of $5,000 portions, and any such portion may be separately redeemed. The Bonds redeemed prior to maturity, if any, will be redeemed at the principal amount thereof together with accrued interest to date of redemption, without premium).

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

Notice of and Effect of Redemption of the Bonds

At least 30 but not more than 45 days prior to the redemption date, a redemption notice shall be given to those persons in whose name the Bonds designated for redemption are registered (the "Owners") by registered or certified mail, postage prepaid, at their addresses appearing on the registration books of the Paying Agent.

If on a redemption date money for the redemption of the Bonds to be redeemed, together with interest accrued to such redemption date, are held by the Paying Agent, and if notice of redemption thereof shall have been given as set forth in the Resolution, then from and after such redemption date, interest with respect to the Bonds to be redeemed shall cease to accrue and become payable. When any Bonds (or portions thereof) which have been duly called for redemption prior to maturity, or with respect to which irrevocable instructions to call for redemption prior to maturity at the earliest redemption date have been given to the Paying Agent and sufficient moneys are held by the Paying Agent irrevocably in trust for the payment of the redemption price of such Bonds, or portions thereof, then such Bonds shall no longer be deemed outstanding and shall be surrendered to the Paying Agent for cancellation.

Any redemption notice for an optional redemption of the Bonds delivered may be conditional, and, if any condition stated in the redemption notice shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds, (iii) the redemption shall not be made, and (iv) the Paying Agent shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Neither failure to receive nor any defect in any such redemption notice so given shall affect the sufficiency of the proceedings for the redemption of the affected Bonds, as applicable.

Book-Entry Only System

The Bonds will be issued as one fully registered bond without coupons for each maturity and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases may be made in book-entry form only, in the principal amount of $5,000 or any integral multiple thereof. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners of the Bonds, as applicable, as described herein. See "APPENDIX E—BOOK-ENTRY ONLY SYSTEM."

Defeasance

All or a portion of the outstanding Bonds may be paid and discharged in any one or more of the following ways:

(1) by irrevocably depositing with an independent escrow agent selected by the District an amount of cash which, together with amounts then on deposit in the Debt Service Fund, is fully sufficient to pay any or all of the Bonds outstanding and designated for defeasance, including all principal and interest and premium, if any, at or before their maturity date selected by the District; or

(2) by irrevocably depositing with an independent escrow agent noncallable Government Obligations (as defined below), together with cash, if required, in such amount as will, in the opinion of an independent certified public accountant, together with the interest to accrue thereon and moneys then on deposit in the Debt Service Fund together with interest to accrue thereon, be fully sufficient to pay and discharge any or all of the Bonds outstanding and designated for defeasance (including all principal and interest and premium, if any), at or before their maturity date.

If a Bond is defeased as described above, then, all obligations of the District under the Resolution with respect to such outstanding Bond shall cease and terminate, whether or not such Bond has been surrendered for payment, except only the obligation of the District and the Paying Agent to pay or cause to be paid from the amounts on deposit pursuant to (1) and (2) above, to the owners of such Bonds not so surrendered and paid all sums due with respect thereto.

In the Resolution, Government Obligations are defined as:

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

Application and Investment of Bonds Proceeds and Tax Revenues

Proceeds of the Bonds. The net proceeds from the sale of the Bonds shall be transferred to the Escrow Agent for deposit in the Escrow Fund established under the Escrow Agreement, which amount, together with an amount of cash held uninvested therein, if any, shall be sufficient to refund the Bonds. Premium or proceeds of the sale of the Bonds necessary to pay all or a portion of the costs of issuing the Bonds may be deposited in a fund held by the Paying Agent and known as "West Contra Costa Unified School District 2011 General Obligation Refunding Bonds Cost of Issuance Fund" (the "Cost of Issuance Fund") and shall be kept separate and distinct from all other District funds, and those proceeds shall be used solely for the purpose of paying costs of issuance of the Bonds.

Any accrued interest received by the District from the sale of the Bonds shall be kept separate and apart in the fund created under the Resolution and designated as the "West Contra Costa Unified School District 2011 General Obligation Refunding Bonds Debt Service Fund" (the "Debt Service Fund") for the Bonds and used only for payments of principal of and interest on the Bonds. Any excess proceeds of the Bonds remaining after the required deposit to the Escrow Fund and payment of the costs of issuance of the Bonds shall be transferred to the Debt Service Fund and applied to the payment of the principal of and interest on the Bonds.

The proceeds of the Bonds deposited in the Debt Service Fund and the *ad valorem* property taxes levied to repay the Bonds, when received, shall be kept separate and apart in the Debt Service Fund and used only for payments of principal of and interest on the Bonds. If after payment in full of the Bonds any excess amounts remain in the Debt Service Fund, such amounts shall be transferred to the District's General Fund.

Investment of Bond Proceeds and Other Monies. The Bond proceeds deposited in the Escrow Fund will be held uninvested, in cash, as described under the caption "THE BONDS—Plan of Refunding." The proceeds of the *ad valorem* property taxes levied to repay the Bonds and monies held in the Debt Service Fund may be invested in any investment permitted by law. It is anticipated that the *ad valorem* tax proceeds, and moneys in the Debt Service Fund will be invested in the County Investment Pool, although the District could provide instructions to invest in other lawful investments. See "APPENDIX G - CONTRA COSTA COUNTY TREASURY INVESTMENT POLICY AND DESCRIPTION OF INVESTMENT POOL."

Estimated Sources and Uses of Funds

The proceeds of the Bonds are expected to be applied as follows:

Sources of Funds	**Total**
Par Amount	$85,565,000.00
Net Original Issue Premium	9,106,118.70
Total Sources of Funds	$94,671,118.70
Uses of Funds	
Escrow Fund Refunded Bonds	$93,751,770.62
Costs of Issuance [1]	919,348.08
Total Uses of Funds	$94,671,118.70

[1] Includes bond counsel fees, disclosure counsel fees, underwriter discount, financial advisor fees, verification agent fees, rating agency fees, paying agent fees, printing fees, bond insurance premium and other miscellaneous fees and expenses.

Debt Service Schedule

The following table sets forth the annual debt service on the Bonds assuming no early redemptions:

Date	***Principal Payment***	***Interest Payment***	***Total Debt Service***
2/1/2012		$ 1,743,587.08	$ 1,743,587.08
8/1/2012	$ 4,425,000	2,011,831.25	6,436,831.25
2/1/2013	-	1,945,456.25	1,945,456.25
8/1/2013	3,800,000	1,945,456.25	5,745,456.25
2/1/2014	-	1,869,456.25	1,869,456.25
8/1/2014	6,285,000	1,869,456.25	8,154,456.25
2/1/2015	-	1,726,381.25	1,726,381.25
8/1/2015	6,150,000	1,726,381.25	7,876,381.25
2/1/2016	-	1,594,531.25	1,594,531.25
8/1/2016	5,900,000	1,594,531.25	7,494,531.25
2/1/2017	-	1,465,731.25	1,465,731.25
8/1/2017	5,110,000	1,465,731.25	6,575,731.25
2/1/2018	-	1,349,181.25	1,349,181.25
8/1/2018	7,295,000	1,349,181.25	8,644,181.25
2/1/2019	-	1,169,806.25	1,169,806.25
8/1/2019	7,585,000	1,169,806.25	8,754,806.25
2/1/2020	-	988,056.25	988,056.25
8/1/2020	7,885,000	988,056.25	8,873,056.25
2/1/2021	-	795,931.25	795,931.25
8/1/2021	8,205,000	795,931.25	9,000,931.25
2/1/2022	-	601,781.25	601,781.25
8/1/2022	8,545,000	601,781.25	9,146,781.25
2/1/2023	-	377,475.00	377,475.00
8/1/2023	8,950,000	377,475.00	9,327,475.00
2/1/2024	-	142,537.50	142,537.50
8/1/2024	5,430,000	142,537.50	5,572,537.50
Total	**$ 85,565,000**	**$ 31,808,068.33**	**$ 117,373,068.33**

Outstanding General Obligation Bond Debt

The District has bonds outstanding in connection with four separate voter approved authorizations. On June 2, 1998, the District received authorization from voters to issue $40 million in general obligation bonds (the "1998 Authorization"). The District has issued all $40 million of the 1998 Authorization. The 1998 Authorization Bonds were fully refunded in 2001. On November 7, 2000, the District received authorization from voters to issue $150 million (the "2000 Authorization"). The District has issued all $150 million of the 2000 Authorization. On March 2, 2002, the District received authorization from voters to issue $300 million (the "2002 Authorization"). The District has issued all of the 2002 Authorization. On November 8, 2005, the District received authorization from voters to issue $400 million (the 2005 Authorization"). As of June 30, 2010, the District issued approximately $322.4 million of the 2005 Authorization. On June 8, 2010, the District received authorization from voters to issue $380 million (the "2010 Authorization").

Aggregate Debt Service

The following table summarizes the aggregate annual debt service requirements for all of the District's general obligation bonds outstanding prior to the issuance of the Bonds (the "Prior General Obligation Bonds"):

COMBINED DEBT SERVICE SCHEDULE FOR EACH AUTHORIZATION
West Contra Costa Unified School District
General Obligation Bonds

Period Ending (August 1)	1998 Authorization	2000 Authorization(2)	2002 Authorization(2)	2005 Authorization	Aggregate(1) Debt Service
2012	$2,938,732.50	$11,571,900.00	$15,184,470.00	$16,245,491.26	$45,940,593.76
2013	2,936,845.00	12,419,300.00	15,804,720.00	16,790,491.26	47,951,356.26
2014	2,939,467.50	12,776,350.00	16,458,495.00	17,933,691.26	50,108,003.76
2015	2,940,867.50	14,514,750.00	17,147,807.50	19,155,291.26	53,758,716.26
2016	2,939,942.50	15,672,950.00	17,873,047.50	20,496,266.26	56,982,206.26
2017	2,941,287.50	17,228,475.00	19,124,050.00	21,925,953.76	61,219,766.26
2018	2,945,323.75	6,285,812.50	20,133,275.00	23,477,853.76	52,842,265.01
2019	2,941,912.50	6,249,112.50	20,435,287.50	25,146,953.76	54,773,266.26
2020	2,950,107.50	6,215,850.00	21,163,237.50	26,954,013.76	57,283,208.76
2021	2,949,052.50	6,180,500.00	22,188,987.50	28,904,213.76	60,222,753.76
2022	2,953,852.50	6,156,500.00	23,420,575.00	30,940,463.76	63,471,391.26
2023	2,949,832.50	6,130,000.00	24,112,650.00	31,606,389.76	64,798,872.26
2024	1,533,275.00	6,110,750.00	25,212,900.00	32,214,506.50	65,071,431.50
2025	743,575.00	6,093,000.00	26,361,500.00	33,637,257.50	66,835,332.50
2026	-	6,081,250.00	27,566,000.00	35,080,457.50	68,727,707.50
2027	-	6,069,750.00	28,832,750.00	36,585,820.00	71,488,320.00
2028	-	6,058,000.00	30,176,000.00	38,160,582.50	74,394,582.50
2029	-	6,050,500.00	31,589,750.00	39,809,232.50	77,449,482.50
2030	-	6,041,500.00	33,078,000.00	41,529,907.50	80,649,407.50
2031	-	6,035,500.00	34,644,000.00	43,328,670.00	84,008,170.00
2032	-	6,021,750.00	35,697,000.00	45,206,995.00	86,925,745.00
2033	-	-	35,570,500.00	47,173,495.00	82,743,995.00
2034	-	-	37,403,500.00	48,608,980.00	86,012,480.00
2035	-	-	-	28,575,875.00	28,575,875.00
2036	-	-	-	29,860,000.00	29,860,000.00
Total	**$37,604,073.75**	**$175,963,500.00**	**$579,178,502.50**	**$779,348,852.62**	**$1,572,094,928.87**

(1) Includes accreted interest payments payable only at maturity.
(2) A portion of the bonds issued under the 2000 Authorization and the 2002 Authorization will be refunded by the net proceeds of the Bonds.

SECURITY FOR THE BONDS

The Bonds are general obligations of the District payable solely from *ad valorem* property taxes levied on taxable property within the District. The County, on behalf of the District, is empowered and obligated to levy *ad valorem* taxes, without limitation as to rate or amount, for the payment of the principal and interest on the Bonds due and payable in the next succeeding bond year (less amounts on deposit in the Debt Service Fund established under the Resolution), upon all property subject to taxation by the District (except certain personal property which is taxable at limited rates). The Resolution pledges as security for the Bonds the proceeds from the levy of the *ad valorem* tax which are collected and allocated to the payment of the Bonds. See "TAX BASE FOR REPAYMENT OF BONDS" herein.

The Prior General Obligation Bonds that will remain outstanding after the issuance of the Bonds will also be payable on a parity with the Bonds solely from *ad valorem* property taxes levied on taxable property within the District to repay such bonds.

The amount of the annual *ad valorem* taxes levied by the County to repay the Bonds will be determined by the relationship between the assessed valuation of taxable property in the District and the amount of debt service due on the Bonds and the Prior General Obligation Bonds in any year. Fluctuations in the annual debt service on the Bonds and the Prior General Obligation Bonds and the assessed value of taxable property in the District may cause the annual tax rates to fluctuate. Economic and other factors beyond the District's control could cause a reduction in the assessed value of taxable property within the District and necessitate a corresponding increase in the annual tax rate. These factors include a general market decline in real property values, reclassification of property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by the federal government, the State of California (the "State") and local agencies and property used for qualified educational, hospital, charitable or religious purposes), or the complete or partial destruction of taxable property caused by a natural or manmade disaster, such as earthquake, flood or toxic contamination.

THE BONDS ARE GENERAL OBLIGATION BONDS OF THE DISTRICT AND DO NOT CONSTITUTE A DEBT, LIABILITY OR OBLIGATION OF THE COUNTY. NO PART OF ANY FUND OF THE COUNTY IS PLEDGED OR OBLIGATED TO THE PAYMENT OF THE BONDS.

Set forth below under the caption "BOND INSURANCE" is the information provided by Assured Guaranty Municipal Corp. for inclusion in this Official Statement. The District has not independently verified the information and does not guarantee its accuracy.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Municipal Corp. ("AGM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Assured Guaranty Municipal Corp.

AGM is a New York domiciled financial guaranty insurance company and a wholly owned subsidiary of Assured Guaranty Municipal Holdings Inc. ("Holdings"). Holdings is an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and global public finance, infrastructure and structured finance markets. No shareholder of AGL, Holdings or AGM is liable for the obligations of AGM.

AGM's financial strength is rated "AA+" (negative outlook) by Standard and Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") and "Aa3" (negative outlook) by Moody's Investors Service, Inc. ("Moody's"). An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. Any downward revision or withdrawal of any of the above ratings may have an adverse effect on the market price of any security guaranteed by AGM. AGM does not guarantee the market price of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On August 8, 2011, S&P published a Research Update in which it affirmed the "AA+" financial strength rating of AGM. At the same time, S&P revised the rating outlook on AGM to negative from stable. Reference is made to the Research Update, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On January 24, 2011, S&P published a Request for Comment: Bond Insurance Criteria (the "Bond Insurance RFC") in which it requested comments on its proposed changes to its bond insurance ratings criteria. In the Bond Insurance RFC, S&P notes that it could lower its financial strength ratings on existing investment-grade bond insurers (including AGM) by one or more rating categories if the proposed bond insurance ratings criteria are adopted, unless those bond insurers (including AGM) raise additional capital or reduce risk. Reference is made to the Bond Insurance RFC, a copy of which is available at www.standardandpoors.com, for the complete text of S&P's comments.

On December 18, 2009, Moody's issued a press release stating that it had affirmed the "Aa3" insurance financial strength rating of AGM, with a negative outlook. Reference is made to the press release, a copy of which is available at www.moodys.com, for the complete text of Moody's comments.

There can be no assurance as to any further ratings action that Moody's or S&P may take with respect to AGM.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, which was filed by AGL with the Securities and Exchange Commission (the "SEC") on March 1, 2011, AGL's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011, which was filed by AGL with the SEC on May 10, 2011, and AGL's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011, which was filed by AGL with the SEC on August 9, 2011.

Capitalization of AGM

At June 30, 2011, AGM's consolidated policyholders' surplus and contingency reserves were approximately $3,050,613,849 and its total net unearned premium reserve was approximately $2,254,726,646, in each case, in accordance with statutory accounting principles.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the SEC that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2010 (which was filed by AGL with the SEC on March 1, 2011);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2011 (which was filed by AGL with the SEC on May 10, 2011); and

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2011 (which was filed by AGL with the SEC on August 9, 2011).

All information relating to AGM included in, or as exhibits to, documents filed by AGL pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 31 West 52nd Street, New York, New York 10019, Attention: Communications Department (telephone (212) 826-0100).

Any information regarding AGM included herein under the caption "BOND INSURANCE – Assured Guaranty Municipal Corp." or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

AGM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE."

TAX BASE FOR REPAYMENT OF THE BONDS

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

Ad Valorem Property Taxation

The collection of property taxes is significant to the District and the owners of the Bonds in two respects. First, the County will levy and collect *ad valorem* taxes on all taxable parcels within the District which are pledged specifically to the repayment of the Bonds and the Prior General Obligation Bonds. Second, the general *ad valorem* property tax levy levied in accordance with Article XIIIA of the California Constitution ("Article XIIIA") and its implementing legislation is a source of funding to operate the District's educational program. As described below, the general *ad valorem* property tax levy and the additional *ad valorem* property tax levy pledged to repay the Bonds and the Prior General Obligation Bonds will be collected through annual tax bills distributed by the County to the owners of parcels within the boundaries of the District. The additional *ad valorem* property tax levy pledged to repay the Bonds and the Prior General Obligation Bonds may be used only to repay such bonds and may not be used to fund other District expenditures.

Method of Property Taxation. Beginning in fiscal year 1978-79, Article XIIIA and its implementing legislation permitted each county to levy and collect all property taxes (except for levies to support prior voter approved indebtedness) and prescribed how levies on county-wide property values were to be shared with local taxing entities within each county. All property is assessed using full cash value as defined by Article XIIIA. State law, however, provides exemptions from *ad valorem* property taxation for certain classes of property such as churches, colleges, non-profit hospitals, and charitable institutions.

Future assessed valuation growth allowed under Article XIIIA (new construction, certain changes of ownership, up to 2% inflation) will be allocated on the basis of "situs" among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and schools will share the growth of "base" sources from the tax rate area. Each year's growth allocation becomes part of each agency's allocation in the following year. The availability of revenue from growth in the tax bases in such entities may be affected by the existence of redevelopment agencies which, under certain circumstances, may be entitled to sources resulting from the increase in certain property values. State law exempts $7,000 of the assessed valuation of an owner-occupied principal residence. This exemption does not result in any loss of revenue to local agencies since an amount equivalent to the taxes that would have been payable on such exempt values is made up by the State.

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

For assessment and collection purposes, property is classified either as "secured" or "unsecured" and is listed accordingly on separate parts of the assessment roll. The "secured roll" is that part of the assessment roll containing State-assessed property and real property having a tax lien which is sufficient, in the opinion of the county assessor, to secure payment of the taxes. Unsecured property comprises all property not attached to land such as personal property or business property. Unsecured property is assessed on the "unsecured roll."

Property taxes on the secured roll are due in two installments, on November 1 and February 1 of each fiscal year, and if unpaid become delinquent on December 10 and April 10, respectively. A penalty of 10 percent attaches immediately to all delinquent payments. Property on the secured roll with respect to which taxes are delinquent becomes tax defaulted on or about June 30 of the fiscal year. Such property may thereafter be redeemed by payment of a penalty of 1.5 percent per month to the time of redemption, plus costs and a redemption fee. If taxes are unpaid for a period of five years or more, the property is subject to sale by the Treasurer-Tax Collector of the county levying the tax.

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

District Assessed Valuation. Both the general *ad valorem* property tax levy and the additional *ad valorem* levy for the Bonds is based upon the assessed valuation of the parcels of taxable property in the District. Property taxes allocated to the District are collected by the County at the same time and on the same tax rolls as are county, city and special district taxes. The assessed valuation of each parcel of property is the same for both District and county taxing purposes. The valuation of secured property by the County is established as of January 1, and is subsequently equalized in September of each year.

Taxation of State-Assessed Utility Property. A portion of property tax revenue of the District is derived from utility property subject to assessment by the State Board of Equalization ("SBE"). State-assessed property, or "unitary property," is property of a utility system with components located in many taxing jurisdictions that are assessed as part of a "going concern" rather than as individual pieces of real or personal property. The assessed value of unitary and certain other state-assessed property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the District) according to statutory formulae generally based on the distribution of taxes in the prior year.

Teeter Plan. Certain counties in the State of California operate under a statutory program entitled Alternate Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"). Under the Teeter Plan local taxing entities receive 100% of their secured tax levies net of delinquencies, but do not receive interest or penalties on delinquent taxes collected by the county. See "TAX BASE FOR REPAYMENT OF THE BONDS – Teeter Plan and Tax Losses Reserve Fund."

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Historic Assessed Valuations

The information provided in Tables 1 through 5 below has been provided by California Municipal Statistics, Inc. The District has not independently verified this information and does not guarantee its accuracy.

The following table shows the assessed valuation in the District for the 2006-07 through the 2010-11 fiscal years.

TABLE 1
FIVE-YEAR SUMMARY OF ASSESSED VALUATION (1)
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Fiscal Year	Local Secured	Utility(2)	Unsecured	Total(3)
2006-07	$23,394,796,810	$32,996,057	$996,599,562	$24,424,392,429
2007-08	25,972,526,364	12,872,037	986,267,215	26,971,665,616
2008-09	25,968,908,280	12,850,519	1,080,701,277	27,062,460,076
2009-10(4)	22,527,198,702	12,079,880	1,206,474,766	23,745,753,348
2010-11	20,862,423,058	12,710,612	1,052,023,491	21,927,157,161

(1) Does not include unitary property valuation.
(2) Includes property owned by a utility wholly within the District.
(3) Totals before the redevelopment increment deduction.
(4) The approximate $3.32 billion dollar difference in assessed values from fiscal year 2008-09 to 2009-10 is primarily attributable to the economic decline. The Assessor reduced the assessed value of a number of parcels throughout the County. Taxpayers are also entitled to seek a reduction in assessed valuations by way of the appeals process.
Source: California Municipal Statistics, Inc.

The County Assessor's Office has released the preliminary assessed values in the District for fiscal year 2011-12, projecting secured and unsecured assessed values of $20,967,316,009 and $1,192,454,380, respectively, indicating that the District's tax base will increase by approximately 1.12%. The County Assessor's Office preliminary values include a fiscal year 2011-12 utility assessed value decrease to $10,792,683 from the fiscal year 2010-11 value of $12,710,612. The final assessed values in the District for fiscal year 2011-12 are expected to be released by the County on or about August 20, 2011.

Tax Levies, Collections and Delinquencies

A 10% penalty attaches to any delinquent payment for secured roll taxes. In addition, property on the secured roll for which taxes are delinquent becomes tax-defaulted. Such property may thereafter be redeemed by payment of the delinquent taxes and the delinquency penalty, plus a redemption penalty to the time of redemption. If taxes are unpaid for a period of five years or more, the property is subject to auction sale by the Treasurer. Collection efforts against a taxpayer who has sought protection from creditors in United States Bankruptcy Court, or against secured property the value of which has been compromised by environmental contamination or natural disaster, may be fruitless to recover unpaid taxes due with respect to such property.

In the case of unsecured property taxes, a 10% penalty attaches to delinquent taxes on property on the unsecured roll, and an additional penalty of 1.5% per month begins to accrue beginning November 1st of the fiscal year, and a lien is recorded against the assessee. The taxing authority has four ways of collecting unsecured personal property taxes: (a) filing a civil action against the taxpayer; (b) filing a bond in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on specific property of the taxpayer, (c) filing a bond of delinquency for record in the County Recorder's office in order to obtain a lien on specified property of the taxpayer; and (d) seizing and selling personal property, improvements or possessory interests belonging or assessed to the taxpayer.

TABLE 2
SECURED TAX CHARGES AND DELINQUENCIES
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Fiscal Year	Secured Tax Charge[1]	Amount Delinquent as of June 30	Percent Delinquent June 30
2005-06	$21,475,746.59	$ 551,527.97	2.57%
2006-07	26,418,406.60	1,210,210.04	4.58
2007-08	31,299,773.17	1,550,643.72	4.95
2008-09	26,534,360.10	1,663,455.48	6.27
2009-10	40,349,223.42	1,282,023.52	3.18

(1) Reflects tax charges for District's general obligation bonds debt service only.
Note: Under the Teeter Plan described below, as long as the Teeter Plan remains in effect, taxes levied by the County will be credited to the District for repayment of the Bonds as if received in their entirety and will not be reduced by any taxpayer delinquencies.
Source: California Municipal Statistics, Inc.

Teeter Plan and Tax Losses Reserve Fund. The County has adopted the Teeter Plan, as provided for in Section 4701 *et seq.* of the State Revenue and Taxation Code and has created a tax losses reserve fund. Under the Teeter Plan, each participating local agency, including school districts, levying property taxes in the County receives the amount of uncollected taxes credited to its fund, in the same manner as if the amount credited had been collected. In return, the County receives and retains delinquent payments, penalties and interest as collected, that would have been due the local agency.

The Teeter Plan is to remain in effect unless the County Board of Supervisors orders its discontinuance or unless, prior to the commencement of any fiscal year of the County (which commences on July 1) the Board of Supervisors receives a petition for its discontinuance from two-thirds of the participating revenue districts in the County. The board of supervisors of a county may, after holding a public hearing on the matter, discontinue the procedures under the Teeter Plan with respect to any tax levying agency in its county in which delinquencies exceed 3% in any tax year. Although delinquencies in the District exceeded 3% in fiscal years 2006-07 through 2009-10, the County has not ordered discontinuance of the Teeter Plan and the Teeter Plan is in effect as of the date of this Official Statement.

Tax Rates

Table 3 summarizes the total *ad valorem* tax rates levied by all taxing entities in a typical Tax Rate Area in the District from fiscal year 2006-07 to fiscal year 2010-11.

TABLE 3
LARGEST COMPONENT PARTS OF — TRA 0-8001
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
(Percentage of Assessed Valuation)

	2006-07	2007-08	2008-09	2009-10	2010-11
General - Countywide	1.0000%	1.0000%	1.0000%	1.0000%	1.0000%
City of Richmond	.1400	.1400	.1400	.1400	.1400
Bay Area Rapid Transit District	.0050	.0076	.0090	.0057	.0031
East Bay Regional Park	.0085	.0080	.0100	.0108	.0084
West Contra Costa Unified School District	.1143	.1035	.1230	.1828	.1869
Contra Costa Community College District	.0043	.0108	.0066	.0126	.0133
Total	1.2721%	1.2699%	1.2886%	1.3519%	1.3517%

Source: California Municipal Statistics, Inc.

Largest Taxpayers in the District

The 20 largest taxpayers in the District, as shown on the 2010-11 secured tax roll, and the amounts of their assessed valuation for all taxing jurisdictions within the District, are shown below. Assessed valuation for the 20 largest taxpayers amounted to $3,084,576,350, or approximately 14.79% of the District's total 2010-11 secured tax roll.

TABLE 4
LARGEST 2010-11 LOCAL SECURED TAXPAYERS
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Property Owner	Primary Land Use	2010-11 Assessed Valuation	% of Total[1]
Chevron USA Inc.	Industrial	$2,028,768,690	9.72%
Bio-Rad Laboratories Inc.	Industrial	132,740,512	0.64
Richmond Parkway Associates	Apartments	101,836,626	0.49
MCD-RCCA-El Cerrito LLC	Shopping Center	84,628,102	0.41
Lennar Emerald LLC	Residential Development	81,069,000	0.39
Richmond Associates LCL	Shopping Center	64,209,854	0.31
Berlex Laboratories Inc.	Industrial	61,445,753	0.29
Richmond Pinole Pt. Industrial	Industrial	53,044,329	0.25
Richmond Essex LP	Apartments	47,662,859	0.23
Cherokee Simeon Venture I LLC	Office Building	47,660,777	0.23
DDRM Hilltop Plaza LP	Shopping Center	46,000,000	0.22
Signature at Abella LLC	Shopping Center	40,619,351	0.19
Dicon Fiberoptics Inc.	Industrial	40,059,095	0.19
Pacific Atlantic Terminals LLC	Industrial	40,056,759	0.19
Stephens & Stephens LLC	Industrial	39,792,973	0.19
California Fats & Oils Inc.	Industrial	39,625,518	0.19
Ford Point LLC	Industrial	35,960,246	0.17
BP West Coast Products	Industrial	34,422,131	0.16
Pt. Richmond R&D Associates I&II LLC	Industrial	32,753,629	0.16
Kaiser Foundation Health Plan	Medical Building	32,220,146	0.15
TOTAL		$3,084,576,350	14.79%

[1] Total Local Secured Assessed Valuation for 2010-11: $20,862,423,058.
Source: California Municipal Statistics, Inc.

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Chevron USA, Inc. ("Chevron"), the largest taxpayer in the District, currently represents 9.72% of the total local secured assessed valuation. Below are historical local secured assessed valuations of Chevron for each fiscal year.

TABLE 5
HISTORY OF SECURED ASSESSED VALUATION
CHEVRON, USA, INC.
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Year	Assessed Valuations(1)
2003-04	$1,914,978,281
2004-05	2,469,045,601(2)
2005-06	2,678,641,859(2)
2006-07	2,680,893,790(2)
2007-08	3,433,927,316
2008-09	3,472,863,434
2009-10	3,086,587,302
2010-11	2,028,768,690

(1) Reflects the aggregate Secured Assessed Valuation of the Chevron USA, Inc. property as reflected on the Contra Costa County Assessor's Equalized Tax Roll. Values have not been adjusted to reflect successful property tax appeals.
(2) The County Appeals Board ruled that Chevron's Richmond Refinery was over assessed in the amount of approximately $346 million, approximately $452 million and approximately $465 million for the tax years of 2004-05, 2005-06 and 2006-07, respectively.
Source: California Municipal Statistics, Inc.

Chevron appealed its property tax assessments for 2004, 2005 and 2006 (the "2004-06 Appeal"). On September 3, 2009, the County Assessment Appeals Board issued preliminary findings on Chevron's 2004-06 Appeal, granting the Chevron appeal. On November 19, 2009, the County Assessment Appeals Board adopted its findings and issued its decision, granting Chevron an approximately $346 million reduction in its assessed valuation for its 2004 assessed valuation, approximately $452 million for its 2005 assessed valuation and approximately $465 million for its 2006 assessed valuation. On May 17, 2010, Chevron and Chevron Corporation filed suit in Contra Costa Superior Court against Contra Costa County challenging the 2004-06 Appeal results. On October 12, 2010, Contra Costa County filed a cross-complaint against Chevron and Chevron Corporation and the County Assessment Appeals Board. On November 4, 2010, the City of Richmond filed a Complaint in Intervention against Chevron and Chevron Corporation. The case is in the early stages. Chevron has also appealed its 2007, 2008 and 2009 assessed valuations (the "2007-09 Appeal"). The 2007-09 Appeal is scheduled to be heard in the fall of 2011. The District cannot predict the final outcome of any of the Chevron appeals or the lawsuit. The County Assessment Appeals Board's reduction may result in an increase in the annual tax rate on all taxable property within the District. Because the District is subject to a revenue limit that is comprised of the local property tax collected and State funding, reductions in local tax collections can be offset by State funding as described more fully in Allocation of State Funding to Districts below. See "GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION – Allocation of State Funding to Districts."

CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS

The Bonds are payable from the proceeds of an *ad valorem* tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS." Articles XIIIA, XIIIB, XIIIC and XIIID of the Constitution, Propositions 98 and 11, and certain other provisions of law discussed below, are discussed in this section to describe the potential effect of these Constitutional and statutory measures on the ability of the County to levy taxes and the District to spend tax proceeds for operating and other purposes, and it should not be inferred from the inclusion of such materials that these laws impose any limitation on the ability of the County to levy ad valorem taxes for payment of the Bonds. The ad valorem tax levied by the County for payment of the Bonds was approved by the District's voters in compliance with Article XIIIA, Article XIIIC, and all applicable laws.

Constitutionally Required Funding of Education

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

Article XIIIA of the State Constitution

Article XIIIA of the State Constitution, as amended, limits the amount of *ad valorem* taxes on real property to 1% of the full cash value thereof, except that additional *ad valorem* taxes may be levied to pay debt service on indebtedness approved by the voters prior to July 1, 1978, and on bonded indebtedness approved by a two-thirds vote on or after July 1, 1978, for the acquisition or improvement of real property. Proposition 39, approved by State voters on November 7, 2000, provides an alternative method of seeking voter approval for bonded indebtedness (see "Proposition 39" below). Article XIIIA defines full cash value to mean "the county assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value," or thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn.

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

Legislation Implementing Article XIIIA

Legislation has been enacted and amended a number of times since 1978 to implement Article XIIIA. Under current law, local agencies are no longer permitted to levy directly any property tax (except to pay voter approved indebtedness). The 1% property tax is automatically levied by the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1989.

Increases of assessed valuation resulting from reappraisals of property due to new construction, change in ownership or from the 2% annual adjustment are allocated among the various jurisdictions in the "taxing area" based upon their respective "situs." Article XIIIA effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

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

Article XIIIB of the State Constitution

An initiative to amend the State Constitution entitled "Limitation of Government Appropriations" was approved on September 6, 1979 thereby adding Article XIIIB to the State Constitution ("Article XIIIB"). In June 1990, Article XIIIB was amended by the voters through their approval of Proposition 111. Under Article XIIIB, the State and each local governmental entity has an annual "appropriations limit" and is not permitted to spend certain moneys that are called "appropriations subject to limitation" (consisting of tax revenues, State subventions and certain other funds) in an amount higher than the appropriations limit. Article XIIIB does not affect the appropriations of moneys that are excluded from the definition of "appropriations subject to limitation," including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the appropriations limit is to be based on certain fiscal year 1978-79 expenditures, and is to be adjusted annually to reflect changes in costs of living and changes in population, and adjusted where applicable for transfer of financial responsibility of providing services to or from another unit of government. Among other provisions of Article XIIIB, if these entities' revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. However, in the event that a school district's revenues exceed its spending limit, the district may, in any fiscal year, increase its appropriations limit to equal its spending by borrowing appropriations limit from the State, provided the State has sufficient excess appropriations limit in such year.

Article XIIIC and Article XIIID of the State Constitution

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

Article XIIID deals with assessments and property related fees and charges. Article XIIID explicitly provides that nothing in Article XIIIC or XIIID shall be construed to affect existing laws relating to the imposition of fees or charges as a condition of property development; however it is not clear whether the initiative power is therefore unavailable to repeal or reduce developer and mitigation fees imposed by the District. Developer fees imposed by the District are neither pledged nor available to pay the Bonds.

Proposition 62

On November 4, 1986, State voters adopted Proposition 62, a statutory initiative which amended the Government Code by the addition of Sections 53720-53730. Proposition 62 requires that (i) any local tax for general governmental purposes (a "general tax") must be approved by a majority vote of the electorate; (ii) any local tax for specific purposes (a "special tax") must be approved by a two-thirds vote of the electorate; (iii) any general tax must be proposed for a vote by two-thirds of the legislative body; and (iv) proceeds of any tax imposed in violation of the vote requirements must be deducted from the local agency's property tax allocation. Provisions applying Proposition 62 retroactively from its effective date to 1985 are unlikely to be of any continuing importance; certain other restrictions were already contained in the State Constitution.

Most of the provisions of Proposition 62 were affirmed by the 1995 State Supreme Court decision in *Santa Clara County Local Transportation Authority v. Guardino* ("*Santa Clara*"), which invalidated a special sales tax for transportation purposes because fewer than two-thirds of the voters voting on the measure had approved the tax. Following the State Supreme Court's decision upholding Proposition 62, several actions were filed challenging taxes imposed by public agencies since the adoption of Proposition 62, which was passed in November 1986. On June 4, 2001, the State Supreme Court released its decision in one of these cases, *Howard Jarvis Taxpayers Association v. City of La Habra, et al*. ("*La Habra*"). In this case, the court held that public agency's continued imposition and collection of a tax is an ongoing violation, upon which the statute of limitations period begins anew with each collection. The court also held that, unless another statute or constitutional rule provided differently, the statute of limitations for challenges to taxes subject to Proposition 62 is three years. Accordingly, a challenge to a tax subject to Proposition 62 may only be made for those taxes received within three years of the date the action is brought.

Although by its terms Proposition 62 applies to school districts, the District has not experienced any substantive adverse financial impact as a result of the passage of this initiative or the *Santa Clara* or *La Habra* decisions and believes that any impact experienced by the District will not adversely affect the ability of the District to make payments with respect to the Bonds.

Proposition 98

On November 8, 1988, State voters approved Proposition 98, a combined initiative, constitutional amendment and statute called the "Classroom Instructional Improvement and Accountability Act" (the "Accountability Act"). The Accountability Act changed State funding of public education below the university level, and the operation of the State's Appropriations Limit, primarily by guaranteeing K-12 school districts and community college districts (collectively, "K-14 districts") a minimum share of State General Fund Revenues.

Under Proposition 98 (as modified by Proposition 111, which was enacted on June 5, 1990), K-14 districts are guaranteed the greater of (a) approximately 40.9% of State General Fund revenues ("Test 1"), (b) the amount appropriated to K-14 schools in the prior year, adjusted for changes in the cost of living (measured as in Article XIIIB by reference to State per capita personal income) and enrollment ("Test 2"), or (c) a third test, which would replace Test 2 in any year when the percentage growth in per capita State General Fund revenues from the prior year plus one half of one percent is less than the percentage growth in State per capita personal income ("Test 3"). Under Test 3, schools would receive the amount appropriated in the prior year adjusted for changes in enrollment and per capita State General Fund revenues, plus an additional small adjustment factor. If Test 3 is used in any year, the difference between Test 3 and Test 2 would become a "credit" to schools which would be paid in future years when per capita State General Fund revenue growth exceeds per capita personal income growth.

Proposition 98 permits the Legislature by two-thirds vote of both houses, with the Governor's concurrence, to suspend the K-14 schools' minimum funding formula for a one-year period, and any corresponding reduction in funding for that year will not be paid in subsequent years. However, in determining the funding level for the succeeding year, the formula base for the prior year will be reinstated as if such suspension had not taken place. In certain fiscal years, the State Legislature and the Governor have utilized this provision to avoid having the full Proposition 98 funding paid to support K-14 schools.

Proposition 98 also changes how tax revenues in excess of the State Appropriations Limit are distributed. "Excess" tax revenues are determined based on a two-year cycle, so that the State could avoid having to return to taxpayers excess tax revenues in one year if its appropriations in the next fiscal year were under its limit. After any two-year period, if there are excess State tax revenues, 50% of the excess would be transferred to K-14 schools with the balance returned to taxpayers. Further, any excess State tax revenues transferred to K-14 schools are not built into the school districts' base expenditures for calculating their entitlement for State aid in the next year, and the State's appropriations limit will not be increased by this amount.

Since Proposition 98 is unclear in some details, there can be no assurance that the Legislature or a court might not interpret Proposition 98 to require a different percentage of State General Fund revenues to be allocated to K-14 districts, or to apply the relevant percentage to the State's budgets in a different way than is proposed in the Governor's Budget. In any event, some fiscal observers expect Proposition 98 to place increasing pressure on the State's budget over future years, potentially reducing resources available for other State programs, especially to the extent the Article XIIIB spending limit would restrain the State's ability to fund such other programs by raising taxes.

Proposition 39

Proposition 39, which was approved by State voters in November 2000, provides an alternative method for passage of school facilities bond measures which lowers the constitutional voting requirement from two-thirds to 55% of voters and allows property taxes to exceed the 1% limit in order to repay such bonds. The lower 55% vote requirement would apply only for bond issues to be used for construction, rehabilitation, equipping of school facilities or the acquisition of real property for school facilities. The Legislature enacted additional legislation that placed certain limitations on this lowered threshold, requiring that (i) two-thirds of the governing board of a school district approve placing a bond issue on the ballot, (ii) the bond proposal be included on the ballot of a statewide or primary election, a regularly scheduled local election, or a statewide special election (rather than a school board election held at any time during the year), (iii) the tax rate levied as a result of any single election not exceed $25 for a community college district, $60 for a unified school district, or $30 for an elementary school or high school district per $100,000 of taxable property value, and (iv) the governing board of the school district appoint a citizen's oversight committee to inform the public concerning the spending of the bond proceeds. In addition, the school board of the applicable district is required to perform an annual, independent financial and performance audit until all bond funds have been spent to ensure that the funds have been used only for the projects listed in the measure.

Notwithstanding the legislative limitation that the tax rate levied as a result of any single election may not exceed $60 per $100,000 of taxable property value within the District, the County has the power and is obligated under State law, to levy a tax in any amount to pay the principal of, redemption premium, if any, and interest on the District's general obligation bonds, including the Bonds.

Proposition 1A

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

The application of Proposition 98 and other statutory regulations has become increasingly difficult to predict accurately in recent years. One major reason is that Proposition 98 minimums under the first test and the second test described above are dependent on State General Fund revenues. In several recent fiscal years, the State made actual allocations to K-14 districts based on an assumption of State General Fund revenues at a level above that which was ultimately realized. In such years, the State has considered the amounts appropriated above the minimum as a loan to K-14 districts, and has deducted the value of these loans from future years' estimated Proposition 98 minimums.

Proposition 22

Under Proposition 1A, the State no longer has the authority to permanently shift city, county, and special district property tax revenues to schools, or take certain other actions that affect local governments. In addition, Proposition 1A restricts the State's ability to borrow state gasoline sales tax revenues. (See "— Proposition 1A" above). These provisions in the Constitution, however, do not eliminate the State's authority to temporarily borrow or redirect some city, county, and special district funds or the State's authority to redirect local redevelopment agency revenues. However, Proposition 22, The Local Taxpayer, Public Safety, and Transportation Protection Act, approved by the voters of the State on November 2, 2010, reduces or eliminates the State's authority: (1) to use State fuel tax revenues to pay debt service on state transportation bonds; (2) to borrow or change the distribution of state fuel tax revenues; (3) to direct redevelopment agency property taxes to any other local government; (4) to temporarily shift property taxes from cities, counties, and special districts to schools; (5) and to use vehicle license fee revenues to reimburse local governments for state mandated costs. As a result, Proposition 22 impacts resources in the State's General Fund and transportation funds, the State's main funding source for schools and community colleges, as well as universities, prisons and health and social services programs. According to the LAO's analysis of Proposition 22 submitted by the LAO on July 15, 2010, the expected reduction in resources available for the State to spend on these other programs as a consequence of the passage of Proposition 22 will be approximately $1 billion in fiscal year 2010–11, with an estimated immediate fiscal effect equal to approximately 1 percent of the State's total General Fund spending. The longer-term effect of Proposition 22, according to the LAO analysis, will be an increase in the State's General Fund costs by approximately $1 billion annually for several decades.

Future Initiatives

From time to time other amendments to the State constitution, propositions and initiative measures could be adopted that further affect District revenues or the District's ability to expend revenues.

GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION

State Funding of Education

General. The State Constitution requires that from all State revenues there shall first be set apart the moneys to be applied by the State for the support of the public school system and public institutions of higher education. Proposition 98 guarantees K-14 schools a minimum share of the State's General Fund revenues. See "CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING DISTRICT REVENUES AND APPROPRIATIONS — Proposition 98." State school districts receive a significant portion of their funding from State appropriations. State income tax and other receipts can fluctuate significantly from year to year, depending on economic conditions in the State and the nation. As a result, decreases in State revenues can affect appropriations made by the Legislature to school districts. In periods when State funding for public education is reduced or the State experiences budget problems, the District's financial position may be affected, even in the absence of significant education policy changes. The District has conducted a full and complete analysis of the 2011-12 State Budget and determined that due to the District's utilization of "best practice" budgeting, and reserving $10 million, the District has limited its exposure to any significant changes to education under the 2011-12 State Budget. The District cannot predict how State income or State education funding will vary over the entire term to maturity of the Bonds. See "STATE BUDGET" herein.

As is true for all school districts in the State, District operating income consists of four components: (1) Revenue Limit Sources (consisting of a mix of State and local property tax revenues), (2) Federal Revenues, (3) Other State Revenues and (4) Other Local Revenues. The Revenue Limit Sources includes both a State portion funded from the State's General Fund and a locally-generated portion derived from the District's share of the 1% local *ad valorem* property tax authorized by the State Constitution. In addition, school districts may be eligible for other funding, including State and Federal program funding, as well as revenue derived from local sources besides property taxes. See "Allocation of State Funding to Districts" and "Other Sources of Education Funding" below.

Allocation of State Funding to Districts

Under Education Code Section 42238 *et seq.* each school district is determined to have a target funding level: a base revenue limit ("Revenue Limit") per student multiplied by the school district's student enrollment measured in units of average daily attendance ("ADA"), a measure based upon the actual attendance of students without provision for excused absences. Enrollment can fluctuate due to factors such as school district population, competition from private, parochial, and public charter schools, inter-district transfers in or out, and other causes. Losses in enrollment lower a school district's Revenue Limit (and may result in loss of operating revenues), without necessarily permitting the district to make adjustments in fixed operating costs.

The Revenue Limit is calculated from the school district's prior-year funding level, as adjusted for a number of factors such as inflation, special or increased instructional needs and costs, and especially low enrollment. Generally, the amount of State funding allocated to each school district is the amount needed to reach that district's Revenue Limit after taking into account certain other revenues, in particular, locally generated property taxes. This is referred to as State equalization aid or colloquially as "backfill". To the extent local tax revenues increase due to growth in local property assessed valuation, the additional revenue is offset by a decline in the State's contribution.

A school district's property tax revenues is comprised of the district's share of the local 1% property tax, received pursuant to Sections 75 *et seq.* and Sections 95 *et seq.* of the State Revenue and Taxation Code. Education Code Section 42238(h) itemizes the local revenues that are counted towards the base revenue limit before calculating how much the State must provide in equalization aid. The more local property taxes a school district receives, the less State equalization aid it is entitled to; ultimately, a school district whose local property tax revenues exceed its Revenue Limit is not entitled to receive State equalization aid, and receives only its special categorical aid and the "basic aid" of $120 per student per year guaranteed by Article IX, Section 6 of the State Constitution. Such school districts are known as "basic aid districts." School districts that receive some equalization aid may be referred to as "revenue limit districts".

The District is a revenue limit district.

See "APPENDIX A – INFORMATION CONCERNING THE DISTRICT — Average Daily Attendance and Revenue Limit" for historical and projected ADA and the Revenue Limit per ADA of the District.

Other Sources of Education Funding

In addition to the Revenue Limit, school districts in the State may receive other revenue from the State and from federal and local sources including grants and funding for specific programs.

Federal Revenues. The federal government provides funding for several programs, including special education programs, programs under the Educational Consolidation and Improvement Act (Title 1), No Child Left Behind funding, and specialized programs such as Drug Free Schools.

Other State Revenues. In addition school districts receive Other State Revenues. These Other State Revenues are primarily restricted revenues that fund items such as special education programs, instructional materials, and mentor teachers.

Included among Other State Revenues are moneys the school district receives from the State Lottery (the "Lottery"). Lottery revenues must be used for the education of students and cannot be used for non-instructional purposes, such as real property acquisition, facility construction, or the financing of research. State Lottery net revenues (gross revenues less prizes and administration expenses) are allocated by computing an amount per ADA or full time equivalent ("FTE"). This figure is derived by dividing the total net revenues figures by the total ADA for grades K-12 and by the total FTE for the community colleges, University of California system and the California State University and College system. Each entity receives an amount equal to its total ADA or FTE, as applicable, multiplied by the per ADA or FTE figure. See "APPENDIX A – INFORMATION CONCERNING THE DISTRICT — Lottery Income" for lottery income amounts received by the District.

Other Local Revenues. In addition to property taxes, a school district may receive additional local revenues from items such as the leasing of property owned by the school district and other local fees and donations.

School District Budgets

State law requires school districts to maintain a balanced budget in each fiscal year. The State Department of Education imposes a uniform budgeting and accounting format for school districts.

Under current law, AB 1200 County Fiscal Oversight of school districts, a school district governing board must adopt and file with the county superintendent of schools a tentative budget by July 1 in each fiscal year. The District is under the jurisdiction of the Contra Costa County Superintendent of Schools.

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

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

At minimum, school districts file with their County Superintendent and the State Department of Education a First Interim Financial Report by December 15 covering financial operations from July 1 through October 31 and a Second Interim Financial Report by March 15 covering financial operations from November 1 through January 31. Section 42131 of the Education Code requires that each interim report be certified by the school board as either (a) "positive," certifying that the district, "based upon current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years," (b) "qualified," certifying that the district, "based upon current projections, may not meet its financial obligations for the current fiscal year or two subsequent fiscal years," or (c) "negative," certifying that the district, "based upon current projections, will be unable to meet its financial obligations for the remainder of the fiscal year or the subsequent fiscal year." A certification by a school board may be revised by the County Superintendent. If either the First or Second Interim Report is not "positive," the County Superintendent may require the district to provide a Third Interim Financial Report covering financial operations from February 1 through April 30 by June 1. If not required, a Third Interim Financial Report is not prepared. Each interim report shows fiscal year to date financial operations and the current budget, with any budget amendments made in light of operations and conditions to that point. The District's Second Interim Report, dated January 30, 2011, has been certified "positive" by the County Superintendent. After the close of the fiscal year on June 30, an unaudited financial report for the fiscal year is prepared and filed without certification with the County Superintendent and the State Department of Education. As a part of the legislation enacting the State's budget for fiscal year 2011-12, the requirement that districts demonstrate that they can meet their financial obligations for the subsequent two fiscal years was suspended for fiscal year 2011-12. See "STATE OF CALIFORNIA FISCAL ISSUES — 2011-12 State Budget."

On June 28, 2011, the District adopted a line-item budget for fiscal year 2011-12 setting forth revenues and expenditures reflecting that budgeted appropriations from its General Fund during fiscal year 2011-12 will not exceed the expected audited July 1, 2011 beginning General Fund balance. See "APPENDIX A — INFORMATION CONCERNING THE DISTRICT — Comparative Financial Statements" for the projected year-end figures and the portion of the adopted budget relating to the General Fund.

County Investment Pool

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

Each county is required to invest funds, including those pooled funds described above, in accordance with Government Code Section 53601 *et seq.* In addition, each county is required to establish its own investment policies, which may provide further limitations beyond those required by the Government Code.

See "APPENDIX G – CONTRA COSTA COUNTY TREASURY INVESTMENT POLICY AND DESCRIPTION OF INVESTMENT POOL" for a discussion of the County Pool, valuation procedures, and investment policies.

Accounting Practices

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

The financial statements of the District for fiscal year ended June 30, 2010, appearing in APPENDIX C of this Official Statement, have been audited by Perry-Smith LLP, independent accountants (the "Auditors"), as set forth in their report thereon. The District considers its audited financial statements to be public information, and accordingly no consent has been sought or obtained from the Auditors in connection with the inclusion of such statements in this Official Statement. The Auditors have not made any representation in connection with inclusion of the audit herein that there has been no material change in the financial condition of the District since the audit was concluded.

STATE OF CALIFORNIA FISCAL ISSUES

The following information concerning the State's budget has been obtained from publicly available information which the District believes to be reliable; however, the District does not guarantee the accuracy or completeness of this information and has not independently verified such information. The following information has been adapted from information provided by the State in connection with its issuance of certain of its bonds and by the Governor's Office in the Governor's Proposed Budget for Fiscal Year 2011-12 and its summary of the 2011-12 adopted State budget and by the Legislative Analyst's Office (the "LAO") regarding the State's budget and fiscal outlook for the next several years.

As a result of State budget shortfalls in recent years, the District has received significantly less revenue from the State and has had to reduce expenditures. See "APPENDIX A - INFORMATION CONCERNING THE DISTRICT – Comparative Financial Statements."

General Overview

Current Financial Stress on State Budget. Since the start of 2008, the State has been experiencing the most significant economic downturn and financial pressure since the Great Depression of the 1930s. As a result of continuing weakness in the State economy, State tax revenues have declined precipitously, resulting in large budget gaps and cash shortfalls. In response to the severe economic downturn, the State implemented substantial spending reductions, program eliminations, revenue increases, and other solutions in order to close an estimated $60 billion budget gap over the combined 2008-09 and 2009-10 fiscal years. On October 8, 2010, the State adopted a budget for fiscal year 2010-11 (the "2010-11 State Budget") to close an estimated budget gap of $17.9 billion for the current fiscal year. Following the adoption of the fiscal year 2010-11 budget, many of the budget assumptions did not materialize and in adopting its budget for fiscal year 2011-12 the State took steps to close a budget gap of $8.2 billion in fiscal year 2011-12 and an additional $17.2 billion in fiscal year 2011-12. The State's budget for fiscal year 2011-12 was enacted on June 30, 2011. See "STATE OF CALIFORNIA FISCAL ISSUES—2011-12 State Budget."

There can be no assurances that the fiscal stress and cash pressures currently facing the State will not continue or become more difficult, or that continuing declines in State tax receipts or other impacts of the current economic recession will not further materially adversely affect the financial condition of the State. The Department of Finance has projected that multi-billion dollar budget gaps will occur annually for several years in the future.

Enacted Budget Trailer Bills. On March 24, 2011, the governor signed into law several budget trailer bills, even though the fiscal year 2011-12 State budget had yet to be finalized. One bill signed into law, Senate Bill No. 70 (Chapter 7, Statutes of 2011), provides certain statutory changes in the area of education in order to enact modifications to the fiscal year 2010-11 State budget and fiscal year 2011-12 State budget. Among other things Senate Bill No. 70:

- Provides a revenue limit deficit factor of 19.892% for fiscal years 2011-12 and 2012-13 to reflect a $106.6 million deficit for county offices of education (COEs). Provides a revenue limit deficit factor of 19.608% for fiscal year 2011-12 to reflect a deficit of $7.7 billion for school districts.

- Defers an additional $2.1 billion in K-12 funds from fiscal year 2011-12 to fiscal year 2012-13. Specifically, Senate Bill No. 70 shifts $1.3 billion in March 2012 payments and $763 million in April 2012 payments to August 2012. This schedule is shorter than the 13 month deferral proposed in the 2011-12 Proposed State Budget.

- Extends various flexibility options to school districts for an additional two years (to fiscal year 2014-15), including categorical flexibility, instructional materials purchase and adoption requirements, routine and deferred maintenance requirements, surplus property, class size reduction, instructional minutes and local budget reserve requirements.

- Extends until fiscal year 2014-15, authorization for new schools, the majority of which are charter schools, to access flexible categorical program funding on par with existing schools.

- Appropriates $5 million from the State General Fund to augment the Charter School Revolving Loan Fund, which makes low-interest, start-up loans to new charter schools in order to meet the purposes of their charters.

- Establishes a zero percent cost-of-living adjustment (COLA) for K-12 programs in fiscal year 2010-11. Though the actual COLA of 1.67% is not provided, it is applied to the deficit factors established in the bill.

- Provides $2.3 million in federal funds ($1.5 million in Title VI and $781,000 in Title II) for fiscal year 2010-11 for the California Longitudinal Pupil Achievement Data System (CALPADS).

- Applies an 8.9% reduction to categorical programs for basic aid districts in fiscal year 2010-11 and fiscal year 2011-12 commensurate to the revenue limit reduction rate for other school districts in fiscal year 2010-11 and fiscal year 2011-12. Specifies the intent to restore these reductions at the same time, and in direct proportion to restoration of revenue limit reductions.

- Authorizes a statutory appropriation for the K-3 Class Size Reduction program for fiscal year 2011-12. The statute authorizes the Superintendent of Public Instruction to certify the funding needed for the program in fiscal year 2011-12 to ensure full funding for the program.

- Reduces ongoing Proposition 98 funding for special education by about $13.1 million in fiscal year 2011-12 and backfills with one-time Proposition 98 savings from various programs to cover fiscal year 2010-11 program adjustments.

- Suspends the statutory division of Proposition 98 funding among K-12 educational agencies, community colleges, and other state agencies, and instead conforms the division of funding based upon actual budget appropriations in fiscal year 2011-12.

- Requires the state to adjust the Proposition 98 calculation so that any shift in local property taxes previously received by redevelopment agencies has no effect on the Proposition 98 minimum guarantee in fiscal year 2011-12.

2011-12 State Budget

The 2011-12 Budget Act for the State (the "2011-12 Budget") was signed into law by the Governor on June 30, 2011. The Department of Finance has released its summary of the 2011-12 Budget (the "Department of Finance Report"). The following information is drawn from the Department of Finance Report.

The 2011-12 Budget reports that the State economy has continued to improve. As a result, the 2011-12 Budget projects an additional $4 billion in revenues during fiscal year 2011-12. Although the 2011-12 Budget does not include any of the Governor's proposed tax extensions, the administration states that it plans to seek voter approval of a ballot measure, by November of 2012, which would protect public safety realignment and supplement the State's revenues.

With the implementation of all measures, the 2011-12 Budget assumes, the State ended fiscal year 2010-11 with revenues of $94.8 billion and expenditures of $91.5 billion. The 2011-12 Budget also assumes the State ended fiscal year 2010-11 with a budget deficit of $2 billion. For fiscal year 2011-12, the 2011-12 Budget projects total revenues of $88.5 billion and authorizes total expenditures of $85.9 billion. The 2011-12 Budget projects that the State will end fiscal year 2011-12 with a $543 million surplus.

The 2011-12 Budget also includes a series of "trigger" reductions that are authorized to be implemented in the event the State's revenues are less than forecasted. The first series of reductions, totaling approximately $600 million, would be implemented if, by January 2012, State revenues fall short of projections by more than $1 billion. If by January 2012 revenues are projected to fall short by more than $2 billion, a second series of reductions in education spending, totaling approximately $1.9 billion, would be implemented of which $1.8 billion relate to K-12 revenue limit funding and the home-to-school transportation program.

As part of the second series of "trigger" reductions, the 2011-12 Budget authorizes a reduction of $1.5 billion to school district revenue limit funding, and a corresponding reduction to the State-mandated length of the school year by seven days. In the event this reduction is implemented, school districts would be permitted to collectively bargain for a shorter school year or accommodate the revenue limit reduction through other means.

Total Proposition 98 funding is decreased in fiscal year 2011-12 to $48.7 billion, including $32.8 billion from the State general fund, which reflects a decrease from the prior year of $1.1 billion. This decrease is a net figure reflective of all budgetary actions taken with respect to the State's share of Proposition 98 funding, including increases in baseline revenues, redirection of certain sales tax revenues related to the realignment of public safety programs, and the rebenching of the Proposition 98 minimum funding guarantee (discussed below).

The 2011-12 Budget rebenches the Proposition 98 minimum funding guarantee to account for the following: (i) an increase of $221.8 million, as part of the realignment of public programs from the State to local governments, to fund the delivery of certain mental health services by school districts, (ii) an increase of $578.1 million to backfill general fund revenues lost from the suspension of sales and excise taxes on motor vehicle fuels, and (iii) a decrease of $1.1 billion to reflect the exclusion of most child care programs from Proposition 98. The minimum funding guarantee is also rebenched to account for a $1.7 billion decrease in State general fund revenues as a result of ABx1 27, a companion bill to the 2011-12 Budget, which authorizes redevelopment agencies to continue operations provided their establishing cities or counties agree to make a specified payment to school districts and county offices of education which total $1.7 billion statewide. Pursuant to ABx1 26 (another companion bill to the 2011-12 Budget), redevelopment agencies whose establishing cities or counties elect not to make such payments will be required to shut down, and any net tax increment revenues, after payment of redevelopment bonds debt service and administrative costs, will be distributed to cities, counties, special districts and school districts.

The 2011-12 Budget also makes a significant, one-time modification to State budgeting requirements under AB 1200 (see "GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION - School District Budgets"). School districts will be required to project the same level of revenue per student in 2011-12 as in 2010-11, as well as maintain staffing and program levels commensurate with such level of funding. A related provision of 2011-12 Budget provides that school districts will only be required to budget for the current year, and will not be required to demonstrate that they can meet their financial obligations for the subsequent two fiscal years (2012-13 and 2013-14).

The 2011-12 Budget also implements other significant measures with respect to K-12 education funding, as follows:

- *Apportionment Deferral.* An additional deferral of $1.2 billion in education spending in order to maintain programmatic funding at the fiscal year 2010-11 level.

- *Part-Day Preschool.* A decrease of $62.3 million to reflect a reduction of income eligibility levels to 70% of the State Median Income, and across-the-board reductions to provider contracts.

- *Charter Schools.* $11 million in supplemental categorical funding to charter schools that begin operations between 2008-09 and 2011-12.

- *Clean Technology and Renewable Energy Training.* $3.2 million of increased funding for clean technology and renewable energy job training, career technical education and the Dropout Prevention Program, each of which is designed to provide at-risk high school students with occupational training in areas such as conservation, renewable energy and pollution reduction.

- *Child Care and Development.* A decrease of $180.4 million to child care and development programs, including reductions to license-exempt provider rates, reductions of income eligibility levels to 70% of the State Median Income, and across-the-board reductions to provider contracts.

- *CALTIDES.* A decrease of $2.1 million to reflect elimination of funding for the California Longitudinal Teacher Integrated Data System (CALTIDES). Although the CALTIDES program was intended to provide a central State information depository regarding the teaching workforce, the 2011-12 Budget indicates the program is not a critical need.

- *Office of the Secretary of Education.* The 2011-12 Budget projects a budget savings of $1.6 million through the elimination of the Office of the Secretary of Education.

Additional information regarding the 2011-12 Budget may be obtained from the LAO at www.lao.ca.gov and from the Department of Finance at www.dof.ca.gov/budget/. None of the information on these websites is incorporated by reference herein.

Future Budgets and Actions

The District cannot predict what actions will be taken in the future by the State Legislature and the Governor to address the current State budget deficit, changing State revenues and expenditures or the impact such actions will have on State revenues available in the current or future years for education. The State budget will be affected by national and State economic conditions and other factors over which the District will have no control. Certain actions could result in a significant shortfall of revenue and cash, and could impair the State's ability to fund schools. Continued State budget shortfalls in future fiscal years could have an adverse financial impact on the State General Fund budget.

Litigation Challenging Method of School Financing

In *Robles-Wong, et al. v. State of California* (Alameda County Superior Court, Case No. RG-10-515768), plaintiffs challenge the state's "education finance system" as unconstitutional. Plaintiffs, consisting of 62 minor school children, various school districts, the California Association of School Administrators and the California School Boards Association, allege the state has not adequately fulfilled its constitutional obligation to support its public schools, and seek an order enjoining the state from continuing to operate and rely on the current financing system and to develop a new education system that meets constitutional standards as declared by the court.

The District cannot predict the outcome of this litigation or its possible impact on the District's financial condition.

TAX MATTERS

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

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

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District and others and is subject to the condition that the District complies with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements.

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

Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

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

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

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

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

A copy of the proposed form of opinion of Bond Counsel is attached hereto as APPENDIX B.

FINANCIAL STATEMENTS

Excerpts from the District's audited financial statements with supplemental information for the year ended June 30, 2010, the independent auditor's report, the statement of activities and of cash flows for the year then ended are included in this Official Statement as APPENDIX C. In connection with the inclusion of the financial statements and the report of Perry-Smith, LLP (the "Auditor") thereon in APPENDIX C to this Official Statement, the District did not request the Auditor to, and the Auditor has not undertaken to, update its report or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

MISCELLANEOUS

Ratings

Moody's Investors Services ("Moody's") and Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business ("S&P") are expected to assign ratings of "Aa3" (negative outlook) and "AA+" (negative outlook), respectively, to the Bonds, with the understanding that, upon delivery of the

Bonds, a policy insuring the payment when due of principal of and interest with respect to the Bonds will be issued by Assured Guaranty Municipal Corp. ("AGM"). For more information regarding the ratings of AGM, see "BOND INSURANCE." In addition, Moody's, S&P and Fitch Ratings ("Fitch") (collectively, the "Rating Agencies") have assigned underlying municipal bond ratings of "Aa3," "A+," and "A+," respectively, to the Bonds. Any rating issued reflects only the views of such rating agency, and any explanation of the significance of such rating should be obtained from such rating agency. The address of Moody's is 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York 10007. The address of S&P is 55 Water Street, New York, New York 10041. The address of Fitch is One State Street Plaza, 31st Floor, New York, New York 10004.

Underwriting

The Bonds are being purchased, for offering to the public, by Piper Jaffray & Co. (the "Underwriter"). The Underwriter has agreed to purchase the Bonds at a price of $94,328,858.70 (consisting of the aggregate principal amount of the Bonds of $85,565,000, plus original issue premium of $9,106,118.70, and less an underwriter's discount of $342,260.00). At the request of the District, the Underwriter will wire the amount of $354,079.25 to the custodian selected by the District to pay costs of issuance, and will wire the bond insurance premium of $223,008.83 to Assured Guaranty Municipal Corp. As a result, the net amount to be received by the District will be $93,751,770.62. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering prices stated on the cover page. The offering prices may be changed from time to time by the Underwriter.

No Litigation

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

Verification

Upon delivery of the Bonds, Causey Demgen & Moore, Inc., will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to them by the Underwriter relating to (a) the adequacy of the maturing principal of and interest on the Federal Securities in the Escrow Fund, together with any moneys held therein as cash, to pay the redemption price of and interest on with respect to the Refunded Bonds and (b) the computations of yield of the Bonds and the Federal Securities in the Escrow Fund which support Bond Counsel's opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

Professionals Involved in the Offering

Bond Counsel, Disclosure Counsel, the Verification Agent and the District's Financial Advisor will receive compensation with respect to the Bonds which is contingent upon the sale and delivery of the Bonds.

Continuing Disclosure

The District has covenanted for the benefit of the holders and beneficial Owners of the Bonds to provide certain financial information and operating data relating to the District (the "Annual Report") by not later than nine (9) months following the end of the District's fiscal year (currently ending June 30) commencing with the report for the 2010-11 fiscal year (which is due no later than March 31, 2012) and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the District in searchable PDF or other acceptable electronic form with the Electronic Municipal Market Access system ("EMMA") of the Municipal Securities Rulemaking Board. The notices of certain enumerated events, if any, will also be filed by the District with EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized below under the caption "APPENDIX D — FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

With respect to the District's outstanding general obligation bonds, the District is required to file annual reports not later than nine months following the end of each fiscal year and to file material events notices. For at least the last five years, the District has complied in all material respects with its continuing disclosure obligations.

Additional Information

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations from and summaries and explanations of the Bonds, the Resolution, and the constitutional provisions, statutes and other documents described herein do not purport to be complete, and reference is made to said documents, constitutional provisions and statutes for full and complete statements of their provisions.

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

This Official Statement and its distribution have been duly authorized and approved by the District.

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

By: /s/ Sheri Gamba
Associate Superintendent of
Business Services

APPENDIX A

INFORMATION CONCERNING THE DISTRICT

The information in this section concerning the operations of the District and the District's operating finances is provided as supplementary information only, and it should not be inferred from the inclusion of this information in this Official Statement that the interest, principal and premium, if any, on the Bonds is payable from the General Fund of the District. The Bonds are payable from the proceeds of an *ad valorem* tax required to be levied by the County in an amount sufficient for the payment thereof. See "SECURITY FOR THE BONDS" and "TAX BASE FOR REPAYMENT OF THE BONDS - *Ad Valorem* Property Taxation." This APPENDIX A includes information concerning the District's Debt Structure and Direct and Overlapping Debt, which information describes District bond obligations payable from *ad valorem* taxes.

General Information

The District, unified in November 1964, is located approximately 15 miles northeast of San Francisco, California and consists of approximately 110 square miles in western Contra Costa County. It provides educational services to the residents of the cities of El Cerrito, Hercules, Pinole, Richmond and San Pablo, the unincorporated communities of El Sobrante and Kensington and certain other unincorporated areas in the County.

The District currently maintains 36 elementary schools, two K-8 school, six middle/junior high schools, six high schools and six alternative/continuation programs, 60 adult education sites, nine operation sites and 17 State-funded preschools. The pupil teacher ratio in the District is approximately 24:1 for kindergarten, 20:1 for grades 1 and 2, 28:1 for grade 3, 33:1 for grades 4 through 6 and for grades 6-8 in K-8 schools and 38:1 maximum for middle and high schools. The District closed three schools at the end of the 2008-09 academic year.

Board of Education

The District is governed by a five-member Board of Education (the "Board"), each member of which is elected to a four-year term. Elections for positions to the Board of Education are held every two years, alternating between two and three available positions. The current members of the Board of Education together with the expiration of their terms are as follows:

BOARD OF EDUCATION AND TERM
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Name	Position	Expiration of Term
Charles T. Ramsey	President	December, 2014
Madeline Kronenberg	Clerk	December, 2014
Antonio Medrano	Member	December, 2012
Elaine R. Merriweather	Member	December, 2014
Tony Thurmond	Member	December, 2012

Source: West Contra Costa Unified School District.

District Senior Management Team

The District's senior management team is headed by the Superintendent. The Superintendent of the District is responsible for administering the affairs of the District in accordance with the policies of the Board. The District's senior management team serve at the discretion of the Board. The principal members of the senior management of the District are set forth below.

Dr. Bruce Harter, Superintendent. Dr. Harter became the Superintendent of the District in July 2006. Prior to joining the District, Dr. Harter was the superintendent at three other school districts. Dr. Harter earned his Bachelor degree at the University of Michigan and his Doctorate at the University of Colorado. Dr. Harter has 39 years of service in public education.

Sheri Gamba, Associate Superintendent, Business Services. Ms. Gamba has served as the Associate Superintendent of Business Services for the District since 2007. Prior to serving the District, Ms. Gamba served as Chief Business Officer at Antioch Unified School District. Ms. Gamba has 23 years of service in public education.

Wendell C. Greer, Associate Superintendent, K-Adult Education. Mr. Greer has served as the Associate Superintendent of K – Adult Education for the District since 2002. He began his career in education in Southern California as a teacher, coach and administrator. Mr. Greer has over 30 years of service in public education.

Bill Fay, Associate Superintendent, Operations. Mr. Fay joined the District in 2008 after 10 years with Los Angeles Unified School District. Prior to his career in education, Mr. Fay held various operations management positions at the Walt Disney Corporation and he served as chair to both the Planning Commission and the Design Commission of the Planning and Development Department of the City of Pasadena.

Nia Rashidchi, Assistant Superintendent, Education Services. Ms. Rashidchi has served as the Assistant Superintendent of Educational Services for the District since 2008. Ms. Rashidchi has served as an Executive Director at a K-12 school district, a state and federal education coordinator and as an Elementary School Principal. Ms. Rashidchi earned her Bachelor degree, *Cum Laude,* at the University of the Pacific and her Master's degree at San Jose University.

Ann Reinhagen, Assistant Superintendent, Human Resources. Mrs. Reinhagen became the Assistant Superintendent of Human Resources in July of 2010. Prior to joining the District she served in various certificated positions in two public school districts, initially as a teacher through to a position as Executive Director. She has over 30 years of service in public education.

Steve Collins, Special Education Local Plan Director. Mr. Collins has been the Special Education Local Plan Area (SELPA) Director of the District since 1996. He has dedicated his career to public education, 33 years of which Mr. Collins has served the District. Mr. Collins earned his Bachelor degree at San Francisco State University and his Masters degree at La Verne University.

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Average Daily Attendance and Revenue Limit

The District computes average daily attendance ("ADA") based on actual attendance only, with no allowances for excused absences. The following table sets forth the ADA based on the Second Period Report of Attendance for the past five years:

AVERAGE DAILY ATTENDANCE
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Academic Year	Average Daily Attendance
2006-07	28,413
2007-08	28,178
2008-09	28,094
2009-10	27,614
2010-11	27,589
2011-12(projected)	26,938

Note: Includes grade levels K-12 and special education.
Source: West Contra Costa Unified School District.

Since the District's enrollment is declining, the District's revenue limit funding is based on the prior fiscal year average daily attendance. The District's gross revenue limit per ADA was $6,389.82 for 2010-11. See "GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION — Allocation of State Funding to Districts" in the body of the Official Statement.

Lottery Income

The District's State Lottery revenue is estimated to be $3,672,062 for 2010-11. The District's State Lottery revenue is projected to be approximately $3,600,000 for 2011-12. See "GENERAL SCHOOL DISTRICT FINANCIAL INFORMATION — Other Sources of Education Funding" in the body of the Official Statement.

Labor Relations and Collective Bargaining

As of June 30, 2011, the District employs 1,572 full-time equivalent ("FTE") certificated and 1,169 FTE classified employees including management and confidential employees.

In December 2009 contract agreements were reached with all four of bargaining units active in the District. Such contracts will expire on June 30, 2012, as shown in the table summarizing District labor organizations below.

LABOR ORGANIZATIONS
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Labor Organization	Number of Employees	Contract Expiration
United Teachers of Richmond	1,572 full-and part-time	June 30, 2012
Public Employees Union, Local 1	1,026 full-and part-time	June 30, 2012
School Supervisors Association	94 full-and part-time	June 30, 2012
Administrators Association	91 full-and part-time	June 30, 2012

Source: West Contra Costa Unified School District.

Retirement Programs

The District participates in the State Teachers Retirement System ("STRS"). This plan covers all full-time certificated employees. In order to receive STRS benefits, an employee must be at least 55 years old and have provided five years of service to State public schools. The District's annual contributions to STRS for the fiscal years ending June 30, 2008, 2009 and 2010 were $9,928,367, $9,485,900 and $8,846,010, respectively and equal 100% of the required contributions for each year. The District's contribution in fiscal year 2010-11 is estimated to be $8,794,654.

The District also participates in the State Public Employees Retirement System ("PERS"). This plan covers all classified personnel who are employed more than four hours per day. In order to receive PERS benefits, an employee must be at least 50 years old and have provided five years of creditable service in PERS. The District's annual contributions to PERS for the fiscal years ending June 30, 2008, 2009 and 2010 were $3,738,408, $3,669,145 and $3,343,635, respectively and equal 100% of the required contributions for each year. This District's contribution in fiscal year 2010-11 is estimated to be $3,772,208.

Both STRS and PERS are operated on a statewide basis and, based on available information, both STRS and PERS have unfunded liabilities. The amounts of the pension-award benefit obligation (PERS) or unfunded actuarially accrued liability (STRS) will vary from time to time depending upon actuarial assumptions, rates of return on investments, salary scales, and levels of contribution. The District is unable to predict what the amount of liabilities will be in the future, or the amount of the contributions that the District may be required to make.

STRS and PERS each issue separate comprehensive annual financial reports that include financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from STRS, P.O. Box 15275, Sacramento, California 95851-0275 and copies of the PERS annual financial report and actuarial valuations may be obtained from the CalPERS Financial Services Division, P.O. Box 942703, Sacramento, California 94229-2703. The information presented in these reports is not incorporated by reference in this Official Statement.

See the notes to the District's audited financial statements, which are contained in "APPENDIX C – EXCERPTS FROM THE DISTRICT'S 2009-10 AUDITED FINANCIAL STATEMENTS" for additional information concerning STRS and PERS.

Other Post-Employment Benefits

According to the District's most recent audited financial report, as of June 30, 2010, the District was obligated to provide certain post-employment health benefits to all employees either (i) hired prior to January 1, 2007 and who have attained five years of continuous PERS/STRS creditable service to the District or (ii) hired after January 1, 2007 and who have attained ten years of continuous PERS/STRS creditable service with the District. Post employment dental benefits are provided to employees who meet the rule of "75" (the number of years worked plus age equals 75 or more). As of June 30, 2010, a total of 2,395 retirees met the health care benefit requirement. The extent of the District's obligations was dependent on the retirement date for the qualifying employee. For employees retiring prior to January 1, 2007, the District was obligated to pay 100% of medical and dental costs (subject to certain limitations) for both the employee and his or her dependents. For employees retiring after January 1, 2007, the District would pay medical and dental benefits based on the negotiated terms as of the employees retirement date. The District's most recent actuarial report was prepared based on such requirements and calculated the District's unfunded actuarial accrued liability to be $390.3 million. As of June 30, 2010, the District had set aside $11,799,133 in its Retiree Benefits Trust Fund against such liability.

The District has since negotiated stricter caps and eligibility requirements for post-employment benefits. The new terms are reflected in each of the four negotiated labor contracts. Under the new agreements: (i) employees retiring prior June 30, 2010, and having ten years of continuous PERS/STRS creditable service with the District will be entitled to retire under the practice in place prior to the new restrictions; (ii) employees hired prior to January 1, 2007, and retiring after June 30, 2010, will be entitled to a maximum monthly District contribution depending on years of service ($450 per month for those employees having ten years or more of continuous PERS/STRS creditable service with the District and $750 per month for those employees having twenty years or more of continuous PERS/STRS creditable service to the District); and (iii) employees hired after January 1, 2007, and having ten years or more of continuous PERS/STRS creditable service with the District will be entitled to a District contribution based on the CalPERS Health Benefits Program minimum allowable monthly unequal contribution with no payments for prescription, vision, or dental coverage.

Assessment District

On August 3, 1994, the District completed formation of a Maintenance and Recreation Assessment District ("MRAD") pursuant to the Landscape and Lighting Act of 1972. This allows the District to levy taxes to support the maintenance and operations of fields and outdoor areas for the purpose of public use. Annual assessments are $72 per single family equivalents. There are approximately 77,521 defined living units within the MRAD, and the District has received approximately $5 million annually in assessment revenue, with approximately $5.5 million estimated in 2011-12 for budget purposes. The use of MRAD revenue is restricted to expenditures for recreation, lighting, and landscape operations and maintenance of facilities generally available to the public; it does not count towards the District's revenue limit and effectively relieves the District from funding many of these expenditures from General Fund revenue. MRAD assessments are levied annually on approval by the Board.

Parcel Tax

On June 8, 2004, voters within the District approved a parcel tax to maintain reduced class sizes, purchase textbooks and teaching materials, attract and retain qualified teachers, aides and counselors, enhance core subjects, restore library services and athletic programs, and improve custodial services (the "Parcel Tax"). The District annually collects 7.2 cents ($0.072) per square foot of total building area of buildings within the District's geographic boundaries or $7.20 per vacant parcel, with an exemption for qualified seniors. The Parcel Tax generates approximately $9.5 million annually. The Parcel Tax became effective on July 1, 2004 and was scheduled to expire on June 30, 2009. In November 2008, voters renewed the Parcel Tax, extending the current rate for an additional five years, beginning July 1, 2009 and ending June 30, 2014.

Comparative Financial Statements

The following table summarizes the District's audited General Fund revenue, expenditures and fund balances for the fiscal years 2005-06 through 2009-10, estimated General Fund balances for Fiscal Year 2010-11 and budgeted General Fund balances for the fiscal year 2011-12.

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GENERAL FUND
REVENUES, EXPENDITURES AND FUND BALANCES
FISCAL YEARS 2005-06 THROUGH 2009-10 (AUDITED),
FISCAL YEAR 2010-11 (ESTIMATED ACTUALS) AND
FISCAL YEAR 2011-12 (BUDGET)
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

	2005-06 Actual[1]	2006-07 Actual[1]	2007-08 Actual[1]	2008-09 Actual[1]	2009-10 Actual[1]	2010-11 Estimated Actuals[2]	2011-12 Budget[2]
REVENUE							
Revenue Limit Sources	$158,939,522	$166,673,420	$166,817,807	$161,899,365	$142,320,077	$146,836,370	$147,994,837
Federal Revenue	28,293,052	24,788,572	25,621,521	33,497,975	31,062,400	49,161,484	27,810,811
Other State Revenue	59,962,832	74,652,133	71,167,149	66,992,666	63,976,273	63,243,928	59,872,698
Other Local Revenue	20,033,854	22,015,726	21,327,703	20,821,034	20,199,980	22,178,743	19,363,564
TOTAL REVENUE[3]	$267,229,260	$288,129,851	$284,934,180	$283,211,040	$257,558,730	$281,420,525	$255,041,910
EXPENDITURES							
Certificated Salaries	$112,505,984	$118,718,728	$121,060,184	$120,290,735	$110,694,305	$109,255,476	$104,344,459
Classified Salaries	38,247,450	40,227,424	44,592,168	41,418,183	37,823,881	39,652,422	39,475,080
Employee Benefits	57,351,233	60,690,279	66,089,445	69,075,209	60,199,786	58,215,400	61,395,153
Books and Supplies	11,210,032	12,129,982	12,340,626	8,843,494	9,912,409	23,778,220	7,986,189
Contract Services and Operating Expenditures	36,387,752	39,040,722	41,425,355	39,283,607	43,130,953	52,069,351	40,853,144
Capital Outlay	1,872,884	795,863	889,702	457,520	1,248,554	374,347	2,846,099
Other Outgo	1,036,358	1,298,343	51,834	41,903	33,137	4,447,610	4,510,179
Indirect Cost Reimbursement	–	(843,802)	(802,241)	–	–	(713,730)	(705,835)
Debt Service							
Principal	300,000	300,000	790,000	1,415,000	2,374,214	–	–
Interest and Other	181,524	189,515	–	–	241,250	–	–
TOTAL EXPENDITURES[3]	$259,093,217	$272,547,054	$286,437,073	$280,825,651	$265,658,489	$287,079,096	$260,704,468
EXCESS OF REVENUES OVER/(UNDER) EXPENDITURES	$8,136,043	$15,582,797	($1,502,893)	$2,385,389	($8,099,759)	($5,658,571)	($5,662,558)
OTHER FINANCING SOURCES/(USES)							
Transfers In	$2,879,118	$2,383,192	$2,839,820	$916,428	$1,731,887	–	$1,872,000
Transfers Out	(4,378,388)	(3,237,865)	(3,551,157)	(794,836)	(926,928)	($3,000,000)	–
Proceeds from the issuance of long-term liabilities	181,524	189,515	–	–	–	–	–
TOTAL[3]	($1,317,746)	($665,158)	($711,337)	$121,592	$804,959	($3,000,000)	$1,872,000
NET CHANGE IN FUND BALANCE	$6,818,297	$14,917,639	($ 2,214,230)	$2,506,981	($7,294,800)	($8,658,571)	($3,790,558)
BEGINNING FUND BALANCE, JULY 1[3]	$26,318,060	$33,136,357	$48,053,996	$45,839,766	$48,346,747	$41,051,948	$32,393,377
ENDING FUND BALANCE, JUNE 30[3]	$33,136,357	$48,053,996	$45,839,766	$48,346,747	$41,051,947	$32,393,377	$28,602,819

(1) Excerpted from the District's respective Audited Financial Reports.
(2) Source: District 2011-12 Budget dated June 28, 2011.
(3) Items may not add to totals due to independent rounding.

Prior Financial History of the District

From time to time over the past 20 year period, the District experienced significant financial difficulties. These difficulties included, among others, the following: in July 1990, the District requested and received, its initial Emergency Apportionment from the State (the "Emergency Apportionment") (see "Emergency Apportionment" below), in April 1991, the District filed for bankruptcy, in May 1991, the District requested and received an additional Emergency Apportionment and in July 1991, the District failed to pay certain lease payments with respect to the 1988 Certificates (as defined herein). The District received the Emergency Apportionments from the State and implemented measures to improve its financial condition, which included among others, withdrawal from bankruptcy in November 1991, election of new Board members, replacement of the superintendent and other administrative officers of the District, the cure of defaults and defeasance to maturity of the 1988 Certificates, all of which resulted in positive certifications of the District's interim financial reports in fiscal year 1995-96. Under the terms of the Emergency Apportionment, in July 1990 a state trustee (the "State Trustee") was appointed to oversee District operations. The Emergency Apportionment is expected to be repaid in 2018 and until that time, the State Trustee has the power to stay or rescind any action of the Board that may have an adverse effect on the financial condition of the District. Ms. Linda Grundhoffer, appointed effective January 1, 2007, currently serves as the State Trustee for the District. The State Trustee has not exercised any stay or rescind power since being appointed in 2007. No assurance can be given with respect to the future financial condition of the District, although the financial condition of the District does not alter the obligation of the Board of Supervisors of the County to levy *ad valorem* taxes upon all property subject to taxation by the District, which is the primary security and source of payment for the Bonds. See "District Debt Structure" below and "SECURITY FOR THE BONDS" in the body of the Official Statement.

Emergency Apportionment. In July 1990, the District requested and obtained an Emergency Apportionment from the State in the amount of $9,525,000. In May 1991, the District received an additional Emergency Apportionment from the State in the amount of $19,000,000 under the conditions of a court order. In June 1993, further legislation was enacted providing that the two Emergency Apportionments from the State be consolidated into one with a 15-year repayment period and an annual interest rate of 4.543%. Subsequent legislation in October 1997 (Assembly Bill 437) amortized over 20 years the remaining Emergency Apportionment amount outstanding after the February 1998 payment and bearing interest at 5.692%. Additional legislation (Assembly Bill 2756) reduced the interest rate of the repayment of the Emergency Apportionment to 1.52%, thereby reducing annual payments by approximately $400,000.

Following certain legislation adopted in 2004 and 2005 (Assembly Bills 1554 and 1331, respectively), the District's Emergency Apportionment will be repaid from the proceeds of the California Infrastructure and Economic Development Bank State School Fund Apportionment Lease Revenue Bonds, Series 2005 (the "Infrastructure Bank Bonds"). The District will make future payments for its Emergency Apportionment to the California Infrastructure and Economic Development Bank through a lease-leaseback arrangement on one of its elementary schools. Payments are made on February 1 of each year from any available funds of the District. A schedule of Emergency Apportionment payments (comprised of principal and interest) remaining is shown below.

REPAYMENT OF EMERGENCY APPORTIONMENT
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Year Ending June 30	Amount Due
2011	$1,421,602
2012-2015	5,686,408
2016-2018	4,264,801
Total	$11,372,811

District Debt Structure

General Obligation Bonds. On June 2, 1998, the District received authorization to issue $40 million in general obligation bonds (the "1998 Authorization"). All of the bonds under the 1998 Authorization have been issued. The bonds from the 1998 Authorization were refunded on November 6, 2001 with both the $28,610,000 West Contra Costa Unified School District 2001 General Obligation Refunding Bonds, Series A (the "2001 Refunding Bonds, Series A") and the $10,255,000 West Contra Costa Unified School District 2001 General Obligation Refunding Bonds, Series B (the "2001 Refunding Bonds, Series B").

The District received notice in October 2006 that the Tax Exempt Bond Division of the Internal Revenue Service (the "TEB") advertising that the 2001 Refunding Bonds, Series A. The TEB examined whether (i) escrow securities were purchased at fair market value, (ii) excessive fees related to the escrow were charged, and (iii) the escrow's yield exceeded the bond yield by more than allowed by the Federal Tax Code. By letter dated August 27, 2008, TEB notified the District that it had concluded and closed the examination of the 2001 Refunding Bonds, Series A, as the result of a closing agreement entered into by a third party in which the District's bond counsel and the underwriter's counsel paid undisclosed amounts in exchange for the IRS not declaring the 2001 Refunding Bonds, Series A as taxable bonds.

On November 7, 2000, the District received authorization to issue $150 million in general obligation bonds (the "2000 Authorization"). All of the bonds under the 2000 Authorization have been issued.

On March 5, 2002, the District received authorization to issue $300 million in general obligation bonds (the "2002 Authorization"). All of the bonds under the 2002 Authorization have been issued.

On November 8, 2005, the District received authorization to issue $400 million in general obligation bonds (the "2005 Authorization"). The District issued $70 million of the Series A Bonds pursuant to the 2005 Authorization on May 17, 2006. The District issued $120 million of the Series B Bonds pursuant to the 2005 Authorization on July 15, 2008. The District issued $52,084,759.30 of the Series C-1 Bonds and $52,825,000 of the Series C-2 Bonds pursuant to the 2005 Authorization on September 3, 2009. The District issued $25,000,000 of the Series D-1 Bonds and $2,499,949.20 of the Series D-2 Bonds pursuant to the 2005 Authorization on June 24, 2010. On June 8, 2010, the District received authorization to issue $380 million in general obligation bonds (the "2010 Authorization").

The bonds issued under the 1998 Authorization, the 2000 Authorization, the 2002 Authorization and the 2005 Authorization are, and the bonds to be issued under the 2010 Authorization will be, issued on a parity basis payable from an unlimited tax upon all property subject to taxation within the District and the Board of Supervisors of the County is empowered and is obligated to levy such tax for the repayment of such bonds. With respect to the Series D-1 Bonds issued under the 2005 Authorization, the District expects to also receive on or about February 1 and August 1 of each year, commencing February 1, 2011 until the Series D-1 Bonds mature on August 1, 2024 a cash subsidy payment from the United States Department of the Treasury relative to the interest payable by the District on the Bonds

Under Education Code Section 15270 the amount of general obligation bond indebtedness the District can issue is limited to 2.5% of the assessed value of all taxable property within the District. In May 2009, the District applied for and was granted a waiver of this limit by the State Board of Education allowing the District to issue general obligation bonds in an amount not to exceed 3.5% of assessed value. Notification of the use of a waiver, if required, was included in the 2005 Authorization. The waiver is authorized for a period beginning May 7, 2009 and ending May 7, 2014. In March 2011, the District applied for and was granted a new waiver from the bonding capacity limit by the State Board of Education allowing the District to issue general obligation bonds in an amount not to exceed 5% of assessed value of taxable property within the District. The 5% waiver is limited to bonds issued pursuant to the 2010 Authorization and is authorized from March 1, 2011 to December 31, 2020. As of the date of this Official Statement the District's general obligation bond indebtedness is below 3.5% of assessed value.

Following is a schedule of principal amounts remaining on the District's general obligation bonds:

GENERAL OBLIGATION BONDS
AS OF JUNE 30, 2011
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

	Issue Date	Final Maturity (August 1)	Original Issue Amount	Principal Outstanding
1998 Authorization ($40 million)				
2001 Refunding Bonds, Series A[(1)]	Nov. 6, 2001	2025	$28,610,000	$19,605,000
2001 Refunding Bonds, Series B[(1)]	Nov. 16, 2001	2025	10,255,000	7,190,000
2000 Authorization ($150 million)				
Series 2000C Bonds[(4)]	Apr. 22, 2003	2032	95,000,000	82,345,000
2009 Refunding Election of 2000 Bonds[(3)]	Aug 12, 2009	2018	47,215,000	43,225,000
2002 Authorization ($300 million)				
Series 2002A Bonds[(4)]	Jun. 26, 2002	2031	30,000,000	24,850,000
Series 2002B Bonds[(4)]	Aug. 25, 2003	2032	100,000,000	84,260,000
Series 2002C Current Interest Bonds	Aug. 1, 2004	2034	40,000,000	36,445,000
Series 2002C Capital Appreciation Bonds	Aug. 11, 2004	2034	29,999,377	28,746,812[(2)]
Series 2002D Capital Appreciation Bonds	Oct. 19, 2005	2034	99,998,106	95,250,472[(2)]
2005 Authorization ($400 million)				
Series 2005-A Bonds	May 17, 2006	2035	70,000,000	61,280,000
Series 2005-B Bonds	July 15, 2008	2035	120,000,000	115,025,000
Series 2009-C Capital Appreciation Bonds	Aug 12, 2009	2033	52,084,759	52,084,759[(2)]
Series 2009-C Build America Bonds	Aug 12, 2009	2034	52,825,000	52,825,000
2009 Refunding of Election 2005 Bonds[(3)]	Aug 12, 2009	2031	10,645,000	10,645,000
Series D-1 Qualified School Construction Bonds	June 24, 2010	2024	25,000,000	25,000,000
Series D-2 Capital Appreciation Bonds	June 24, 2010	2036	2,499,949	2,499,949
TOTAL			$876,632,191	$741,276,992

(1) The 2001 Refunding Bonds, Series A and B, were issued to refund four series of bonds in the initial aggregate principal amount of $40,000,000 issued under the 1998 Authorization.

(2) Approximate amount of Outstanding Denominational Amount of Capital Appreciation Bonds; does not include accreted interest.

(3) The 2009 Refunding Bonds were issued to refund and partially refund four series of bonds issued under the 2000 Authorization and the 2005 Authorization.

(4) A portion of each of the Election of 2002, Series A Bonds, the Election of 2002, Series B Bonds and the Election of 2002, Series C Bonds will be refunded with the net proceeds of the Bonds.

Source: West Contra Costa Unified School District.

Certificates of Participation. On May 15, 1988, the District, under its previous name, the Richmond Unified School District, caused the execution and delivery of the 1988 Certificates of Participation in the aggregate principal amount of $9,800,000 (the "1988 Certificates"). The 1988 Certificates were to be repaid solely from the semi-annual lease payments made to the Richmond Unified School District Financing Corporation (the "Corporation") under the terms of a lease-purchase agreement between the Corporation and the District.

On July 15, 1991, the District defaulted on its obligation to make payments under the lease-purchase agreement that secured the 1988 Certificates. In October 1993, Assembly Bill 536 amended the Education Code to provide for the refunding of the 1988 Certificates by allowing the District to enter into a lease of its property and use the proceeds of such lease for the purpose of terminating the 1988 lease and repaying the 1988 Certificates. On April 1, 1994, the District caused the execution and delivery of the 1994 Certificates of Participation in the aggregate principal amount of $11,150,000 to be repaid from any available funds of the District in order to cure the defaults with respect to, and defease to maturity, the 1988 Certificates (the "1994 Certificates"). On August 24, 2005, the District caused the execution and delivery of 2005 Taxable Refunding Certificates of Participation in the aggregate principal amount of $10,600,000 to defease the 1994 Certificates (the "2005 Certificates").

The following table shows remaining base rental payments on the 2005 Certificates.

2005 CERTIFICATES
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Year Ending June 30	Principal	Interest	Total
2011	$455,000	$469,007	$924,007
2012	475,000	447,577	922,577
2013	500,000	424,967	924,967
2014	525,000	400,867	925,867
2015	555,000	375,352	930,352
2016-2020	3,205,000	1,434,204	4,639,204
2021-2024	3,360,000	511,395	4,141,395
Total	$9,345,000	$4,063,369	$13,408,369

Voluntary Integration Program. The Voluntary Integration Program obligation represents cost disallowances of $7,652,000 based on State audits of program expenditures in fiscal years 1988-89 to 1989-90. During the 1992-93 fiscal year, the original agreement was restructured allowing the District to make the June 30, 1992, payment as scheduled, with the remaining balance scheduled to be paid repaid beginning in 1998. The remaining payment of the Voluntary Integration Program obligation is shown below:

PAYMENT OF THE VOLUNTARY INTEGRATION PROGRAM OBLIGATION
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Year Ending June 30	Annual Payments
2012	$872,000

Computer Equipment Acquisition Loans. During the fiscal year 1989-90, the District financed the acquisition of an administrative and instructional computer system with a loan from IBM. The acquired assets secured the loan. In 1993, the District and IBM restructured the obligation allowing for one payment during fiscal year 1993-94 and the remaining payments of $3,623,744 comprised of $2,459,111 of principal and $1,164,633 of interest payable in fiscal years 2007-08 through 2015-16. The Pooled Money investment rate at June 30, 1993, of 4.402%, was used to impute the interest costs implicit in the repayment amounts. At June 30, 2011 the carrying balance of the loan was $3,933,152.

The restructuring agreement provides that if, prior to August 1, 2015, the District receives funding for the specific purpose of paying outstanding obligations, the amounts due under the restructuring agreement will be immediately due and payable will be considered then due, and amounts owing to IBM will be paid to the same extent as outstanding debts of other creditors.

Child Care Facilities Loan. On February 7, 2001, the District received a no-interest loan from the California Department of Education for the development and acquisition of child care facilities. The District received an initial amount of $573,048. In 2002-03, the District received an additional $598,060. The carrying balance of the loan as of June 30, 2010 was $223,871.

Statement of Direct and Overlapping Debt

Contained within the District are numerous overlapping local agencies providing public services. These local agencies have outstanding bonds issued in the form of general obligation, lease revenue and special assessment bonds and outstanding certificates of participation. The following represents the total assessed valuation and the direct and overlapping bonded debt of the District as of July 1, 2011, according to California Municipal Statistics, Inc. The District makes no assurance as to the accuracy of the following table, and inquiries concerning the scope and methodology of procedures carried out to complete the information presented should be directed to California Municipal Statistics, Inc., Oakland, California.

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

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DIRECT AND OVERLAPPING DEBT
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
(As of July 1, 2011)

2010-11 Assessed Valuation:	$21,927,157,161
Redevelopment Incremental Valuation:	5,098,812,870
Adjusted Assessed Valuation:	$16,828,344,291

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:	% Applicable	Debt 7/1/11
Bay Area Rapid Transit District	3.867%	$ 16,004,160
East Bay Municipal Utility District, Special District No. 1	6.494	1,593,952
Contra Costa Community College District	13.484	31,969,890
West Contra Costa Unified School District	**100.**	**741,276,992**[(1)]
East Bay Regional Park District	5.993	9,228,621
City of El Cerrito Parcel Tax Obligations	100.	2,930,000
West Contra Costa Healthcare District Parcel Tax Obligations	90.381	19,562,967
Richmond Redevelopment Community Facilities District No. 1998-1	100.	3,545,000
City and County 1915 Act Bonds	100.	32,579,230
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		$858,690,812

DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Contra Costa County General Fund Obligations	13.428%	$ 42,951,862
Contra Costa County Pension Obligations	13.428	53,690,515
Contra Costa Fire Protection District Pension Obligations	4.016	4,668,198
Alameda-Contra Costa Transit District Certificates of Participation	9.919	3,716,153
Contra Costa Community College District Certificates of Participation	13.484	124,727
West Contra Costa Unified School District General Fund Obligations	**100.**	**18,258,387**[(2)]
City of El Cerrito General Fund Obligations	100.	9,225,000
City of Hercules Certificates of Participation	90.961	16,059,165
City of Pinole Pension Obligations	100.	5,344,171
City of Richmond General Fund Obligations	100.	136,500,000
City of Richmond Pension Obligations	100.	119,625,133
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$410,163,311
Less: Contra Costa County obligations supported by revenue funds		16,281,463
City of Richmond obligations supported by port revenues		49,791,700
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT		$344,090,148
GROSS COMBINED TOTAL DEBT		$1,268,854,123[(3)]
NET COMBINED TOTAL DEBT		$1,202,780,960

Ratios to 2010-11 Assessed Valuation:
Direct Debt ($741,276,995) 3.38%
Total Direct and Overlapping Tax and Assessment Debt........................3.92%

Ratios to Adjusted Assessed Valuation:
Combined Direct Debt ($759,535,382)...4.51%
Gross Combined Total Debt..7.54%
Net Combined Total Debt 7.15%

STATE SCHOOL BUILDING AID REPAYABLE AS OF 6/30/11: $0

(1) Excludes issue to be sold.
(2) Includes $9,368,387 emergency apportionment loan. Excludes state school fund apportionment lease revenue bonds.
(3) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon issuance of the Bonds, Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

[Closing Date]

Board of Education
West Contra Costa Unified School District

Members of the Board of Education:

We have examined a certified copy of the record of the proceedings relative to the issuance and sale of $85,565,000 West Contra Costa Unified School District (Contra Costa County, California) 2011 General Obligation Refunding Bonds (the "Bonds"). As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

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

1. Such proceedings and proofs show lawful authority for the issuance and sale of the Bonds pursuant to Articles 9 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, and a resolution (the "Resolution") of the Board of Education of the West Contra Costa Unified School District (the "District").

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

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

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

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

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

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

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

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

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

Respectfully submitted,

Stradling Yocca Carlson & Rauth

APPENDIX C

EXCERPTS FROM THE DISTRICT'S 2009-10 AUDITED FINANCIAL STATEMENTS

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

COUNTY OF CONTRA COSTA

RICHMOND, CALIFORNIA

FINANCIAL STATEMENTS

WITH SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED JUNE 30, 2010

AND

INDEPENDENT AUDITOR'S REPORT

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

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WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

FINANCIAL STATEMENTS
WITH SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2010

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(Continued)

PERRY-SMITH
THE POWER OF CONFIDENCE

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400 Capitol Mall | Suite 1200
Sacramento, CA 95814
www.perry-smith.com
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INDEPENDENT AUDITOR'S REPORT

Honorable Board of Education
West Contra Costa Unified School District
Richmond, California

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of West Contra Costa Unified School District, as of and for the year ended June 30, 2010, which collectively comprise West Contra Costa Unified School District's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The basic financial statements referred to above do not include the Trust and Agency Fund financial statements for the Associated Student Body accounts which should be included to conform with accounting principles generally accepted in the United States of America. The amount that should be recorded in the basic financial statements is not known.

In our opinion, except that the omission described in the preceding paragraph results in an incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of West Contra Costa Unified School District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2010 on our consideration of West Contra Costa Unified School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Management's Discussion and Analysis and the Required Supplementary Information such as the General Fund Budgetary Comparison Schedule and Schedule of Other Postemployment Benefits Funding Progress, are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purposes of forming an opinion on the financial statements that collectively comprise West Contra Costa Unified School District's basic financial statements. The accompanying financial and statistical information listed in the Table of Contents, including the Schedule of Expenditure of Federal Awards, which is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the basic financial statements of West Contra Costa Unified School District. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Perry-Smith LLP

Sacramento, California
December 10, 2010

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
1108 Bissell Avenue
Richmond, CA 94801-3135
Telephone (510) 231-1100

Bruce Harter, Ph.D.
Superintendent of Schools

Sheri Gamba
Associate Superintendent
Business Services

MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

INTRODUCTION

Management's discussion and analysis of West Contra Costa Unified School District's (District) financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2010. It should be read in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, issued June 1999; GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, an amendment to GASB Statements No. 21 and No. 34, issued in June 2001; GASB Statement No. 38, *Certain Financial Statement Note Disclosures* issued in 2001 and GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, issued in 2004. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL AND EDUCATIONAL HIGHLIGHTS

The District's financial position deteriorated over the past year. Overall expenditures of $373.5 million exceeded revenues by $44.4 million. Total net assets decreased by 19.2% over the course of the year.

The 2009-10 financial statements cannot be adequately addressed without acknowledging the extraordinary issues facing the Nation, State and the School District during the 2009-10 school year. The current recession has our nation in its worst economic crisis since the Great Depression. California, being one of the largest economies in the United States has been hit particularly hard with job losses and home foreclosures during this past school year.

Within the District this meant a constant need to track and revise estimates of an ever-changing funding stream from our State. State Revenue deficits were a net 18.35% on the per pupil revenues. In addition to the funding reductions, the State also enacted additional revenue deferrals so at the close of 2009-10 the District was owed millions by the State for programs operated during 2009-10.

As the District prepares for the 2010-11 school year it is faced the major challenge of a State budget which is facing an unprecedented deficit and major instability due to the uncertainty of how the budget will be balanced. Over the course of the last six school years West Contra Costa Unified School District has declined in enrollment. The District has adopted budget reductions in an effort to keep pace with rising costs in general, the skyrocketing health benefits costs as well as the reduction in revenue associated with enrollment decline and state cuts, this is evidenced by the positive general fund balance. The community also responded to the needs of students in the District by passing a parcel tax in 2004 and renewed it in 2008 which helped the District avoid some cuts for specific programs and services. The District has tackled the difficult task of managing the budget reductions and making the effort to raise revenues which are necessary to remain solvent during these tough times.

REPORTING THE DISTRICT AS A WHOLE

The complete annual financial report is a product of three separate parts: the basic financial statements, supplementary information, and this section, Management's Discussion and Analysis. The three sections together provide a comprehensive overview of the District. The basic financials are comprised of two kinds of statements that present financial information from different perspectives, District-wide and funds.

- District-wide financial statements, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position.

- Individual parts of the District, which are reported as fund financial statements, focus on reporting the District's operations in more detail. These fund financial statements comprise the remaining statements.

    - Basic services funding (i.e., regular and special education) is described in the governmental funds statements.

    - Short and long-term financial information about the activities of the District that operate like businesses (self-insurance funds) are provided in the proprietary funds statements.

    - Financial relationships, for which the District acts solely as an agent or trustee, for the benefit of others to whom the resources belong, are presented in the fiduciary fund statements.

Notes to the basic financials, which are included in the financial statements, provide more detailed data and explain some of the information in the statements. A comparison of the District's budget for the year is included as required supplementary information.

The following matrix summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of the overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements				
		Fund Statements		
Type of Statement	District-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district, except fiduciary activities	The activities of the district that are not proprietary or fiduciary, such as special revenue and debt service funds	Activities the district operates similar to private businesses: such as the self-insurance fund	Instances in which the district administers resources on behalf of someone else, such as student activities and retiree benefits funds
Required financial statements	Statement of net assets	Balance sheet	Statement of net assets	Statement of fiduciary net assets
	Statement of activities	Statement of revenues, expenditures & changes in fund balances	Statement of revenues, expenses & changes in fund net assets	Statement of changes in fiduciary net assets
			Statement of cash flows	
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; Standard funds do not currently contain non-financial assets, though they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

OVERVIEW OF THE FINANCIAL STATEMENTS

The District's basic financial statements are comprised of three components: 1) District-wide financial statements, 2) fund financial statements and 3) notes to the basic financial statements.

Government-Wide Financial Statements

The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances in a manner similar to a private sector's business.

The Statement of Net Assets and the Statement of Activities

The District as a whole is reported in the District-wide statements and uses accounting methods similar to those used by companies in the private sector. All of the District's assets and liabilities are included in the statement of net assets. The statement of activities reports all of the current year's revenues and expenses regardless of when cash is received or paid.

The District's financial health or position (net assets) can be measured by the difference between the District's assets and liabilities.

- Increase or decrease in the net assets of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.

- Additional non-financial factors such as condition of school buildings and other facilities and changes in the property tax base of the district need to be considered in assessing the overall health of the district.

The Statement of Net Assets and the Statement of Activities show all District operations as governmental activities, the basic services provided by the District, such as regular and special education, administration and transportation. Property taxes and state formula aid finance most of these activities.

The District-wide financial statements can be found on pages 15 through 16 of this report.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the District-wide financial statements. However, unlike the District-wide financial statements, fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The District has three kinds of funds:

Governmental Funds

Most of the District's basic services are included in governmental funds, which generally focus on:

1. How cash and other financial assets can be readily converted to cash flow (in and out).

2. The balances left at year-end that are available for spending.

The governmental fund statements provide a detailed short-term view. These help determine whether there are more or fewer financial resources that can be spent in the near future for financing the District's programs. Because this kind of information does not encompass the additional long-term focus of the District-wide statements, additional information is provided on page 18 that explains the differences (or relationships) between them.

Proprietary Funds

The proprietary fund category includes Internal Service Funds.

Internal Service funds report activities that provide supplies and services for the other programs and activities of the District.

- The District has one internal fund: a self-insurance fund.

Fiduciary Funds

For assets that belong to others, such as the scholarship fund and/or student activities fund, the District acts as the trustee, or fiduciary. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes. A separate statement of fiduciary net assets and a statement of change in fiduciary net assets report the District's fiduciary activities. These activities are excluded from the District-wide financial statements, as the District cannot use the assets to finance the operations.

THE DISTRICT AS A WHOLE

Net Assets – The District's combined net assets were lower on June 30, 2010 than they were the year before—decreasing by $44.4 million to $186.9 million as reflected on the next page.

Net Assets

	GOVERNMENTAL ACTIVITIES	
	2010	2009
Current Assets	$360,796,850	$288,414,212
Capital Assets	809,644,571	749,964,447
Total Assets	1,170,441,421	1,038,378,659
Current Liabilities	80,172,466	70,742,490
Long-term Liabilities	903,343,117	736,348,639
Total Liabilities	983,515,583	807,091,129
Net Assets:		
Invested in Capital Assets, net of related debt	20,832,255	104,425,526
Restricted For:		
Capital Projects	170,041,507	108,697,584
Debt Service	38,745,510	34,571,916
Educational Programs	25,612,527	30,787,725
Other Purposes (Expendable)	10,696,041	5,538,926
Other Purposes (Unexpendable)	13,224,861	14,167,408
Unrestricted	(92,226,663)	(67,099,412)
Total Net Assets	$186,925,838	$231,089,673

The District's financial position is the product of many factors. However, two events of the last year stand out:

- Through the bond program, together with State apportionments for school facilities, the District has continued construction of new schools and has continued the process of renovating its existing schools. These activities have increased the capital assets of the District.

- Additional revenue sources from developer fees in the Capital Facilities Fund and State Apportionments for Facilities in the County School Facilities Fund provided significant revenues.

Changes in Net Assets – The District's total expenditures exceeded its revenues by $44.4 million. Property taxes, State Aid and other general sources accounted for most of the District's revenues contributing approximately 72 cents per every dollar of revenue received while Federal, State and local grants and contributions for specific purposes provided approximately 28 cents of every dollar of revenue.

	GOVERNMENTAL ACTIVITIES	
	2010	**2009**
Revenues:		
Program revenues:		
Charges for Services	$1,233,555	$1,700,853
Operating Grants and Contributions	91,549,906	108,167,444
Capital Grants and Contributions	575,998	19,700,237
Total Program Revenues	93,349,459	129,568,534
General Revenues:		
Property Taxes	120,374,750	119,303,027
Federal and State Aid	111,659,345	110,362,304
Interest and Investment Earnings	839,017	2,451,554
Interagency revenues:		
Miscellaneous	2,868,771	2,190,665
Special extraordinary items		1,500,000
Total General Revenues	235,741,883	235,807,550
Total Revenues	329,091,342	365,376,084
Expenses:		
Instruction	180,557,998	200,846,383
Support Services:		
Administrative	43,499,286	45,645,803
Student Support	38,706,858	32,345,571
Non-Student Support	19,835,546	18,295,507
Plant Services	36,734,670	35,305,140
Ancillary Services	7,801,561	6,663,785
Transfers between agencies	1,009,130	326,810
Community Services	106,613	92,351
Interest on long-term debt	43,221,370	30,899,529
Total Expenses	373,463,034	370,618,736
Change in Net Assets	$ (44,371,692)	$(5,242,652)

Governmental Activities

The following table presents the costs of five major activities: Instruction, Support Services, Facility and Plant Services, Ancillary Services and Other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost of services shows the financial burden that was placed on the District for each of these functions.

The cost of all programs was $373.5 million for this fiscal year. The users of District programs as well as Federal, State and local governments who provided funds for specific programs provided $93.4 million. The balance of the District's expenditures were paid for by State apportionments for ADA and by local property taxes. Property taxes comprised of $120,374,750 of this amount while State education aid formulas contributed the remaining $111,659,345.

	Total Cost 2010	Net (Expense) Revenue 2010	Total Cost 2009	Net (Expense) Revenue 2009
Instruction	$180,557,998	$ (137,998,408)	$200,846,383	$(128,383,604)
Support Services	104,031,692	(66,309,508)	96,286,881	(52,519,154)
Facilities and Plant	36,734,670	(29,453,310)	35,305,140	(28,647,562)
Ancillary Services	7,801,561	(2,342,454)	6,663,785	(1,727,793)
Other	44,337,113	(43,999,895	31,516,547	(29,574,232)
Total	$373,463,034	$ (280,103,575)	$370,618,736	$ (240,852,345)

THE DISTRICT'S FUNDS

The financial position of the District as a whole is reflected in its governmental fund statements. As the District completed the year, its governmental funds reported a combined fund balance of $300 million, well above last year's combined ending fund balance of $235 million. This increase is due to activities in the District's Capital Projects Fund and Building Fund.

General Fund Budgetary Highlights

Over the course of the year, the District revises the annual operating budget several times due to changes in State and federal funding. The District is required to prepare financial reports for the school board twice a year. This is done through the preparation of the First and Second Interim Reports, which are prepared based on information available as of October 31 and January 31 respectively. Budget adjustments and revisions can be classified into the following types:

- Appropriation of prior year ending fund balances and deferred revenues derived primarily from Federal, State and local government sources for specific programs.

- New appropriations or budget augmentations for programs and expenditures that were not known or anticipated at the time of budget development.

The final revised general fund budget of the District reflected anticipated revenues of $265.1 million against appropriated expenditures of $301 million thus anticipating a decrease of $35.9 million in overall fund balance.

The District took a pro-active approach to reduce expenditures without affecting the instructional programs to the greatest extent possible.

Actual revenues were less than anticipated while actual expenditures were also less than anticipated. The combination of these variances resulted in a lower ($8.1 million) than projected ($35.9 million) ending fund balance.

Summary of Revenues for Governmental Function

The following schedule represents a summary of the general operating fund, special revenue fund, capital projects fund and debt service fund revenues for the fiscal year ended June 30, 2009, and the increase and decrease (in amount and percentage) in relations to prior year amounts.

	2010 Fiscal Year	Percent of Total	Increase (Decrease) From Prior Fiscal Year	Percent Increase (Decrease) From Prior Fiscal Year
Revenue Limit Sources	$142,320,077	42	$ (19,579,288)	(12.09%)
Federal	42,112,306	13	(1,241,016)	(2.86%)
Other State	76,906,253	23	(18,862,976)	(19.70%)
Other Local	75,263,357	22	6,909,108	10.11%
Total Revenues	$336,601,993	100%	$ (32,774,172	(8.87%)

The following schedule represents a summary of the general operating fund, special revenue fund, capital projects fund, and debt service fund expenditures for the fiscal year ended June 30, 2010, and the increase and decrease (in amount and percentage) in relations to prior year amounts.

Summary of Expenditures by Object Code

	2010 Fiscal Year	Percent of Total	Increase (Decrease) From Prior Fiscal Year	Percent Increase (Decrease) From Prior Fiscal Year
Certificated salaries	$113,448,248	24.55%	$ (10,195,213)	(8.25%)
Classified salaries	43,729,248	9.46%	(4,035,669)	(8.45%)
Employee benefits	63,241,551	13.68%	(9,377,300)	(12.91%)
Books and supplies	16,503,400	3.57%	897,777	5.75%
Services, other operation expenses	58,964,624	12.76%	11,377,696	23.91%
Capital Outlay	66,528,218	14.39%	(10,542,376)	(13.68%)
Debt Service:				
Principal	71,173,855	15.40%	57,359,042	415.20%
Interest	28,549,374	6.18%	4,415,940	18.30%
Other outgo	33,137	0.01%	(8,766)	(20.92%)
Total Expenditures	$462,171,655	100%	$39,891,131	9.45%

CAPITAL ASSET AND DEBT ADMINISTRATION

By June 30, 2010, the District had invested $1,045 million in a broad range of capital assets including land, school buildings, athletic facilities, computer and audio-visual equipment as well as support facilities as reflected in the following table. Additional information about the capital assets of the District can also be found in footnote 4. Total depreciation expense for the year was $14.9 million while additions to net capital assets amounted to approximately $75.6 million.

Construction, planning and design activities continued during the year related to the renovation of the District's elementary and secondary schools.

Capital Assets

	Governmental Activities			
	Balance, July 1, 2009	Additions	Reductions	Balance, June 30, 2010
Governmental activities:				
Land	$52,371,291			$52,371,291
Site Improvements	52,366,719	$7,333,268	$1,439,639	58,260,348
Buildings	591,772,417	116,428,067	7,238,919	700,961,565
Machinery and Equipment	11,963,427	1,454,258	1,520,011	11,897,674
Construction In Progress	271,379,997	73,864,460	123,425,846	221,818,611
Totals at historical cost	979,853,851	199,080,053	133,624,415	1,045,309,489
Less: accumulated depreciation				
Site Improvements	(40,008,952)	(939,705)	(6,486,513)	(39,509,018)
Buildings	(183,508,800)	(13,143,700)	(1,439,639)	(190,165,987)
Machinery and Equipment	(6,371,652)	(802,859)	(1,184,598)	(5,989,913)
Total accumulated depreciation	(229,889,404)	(14,886,264)	(9,110,750)	(235,664,918)
Governmental activities, capital Assets, Net	$749,964,447	$184,193,789	$124,513,665	$809,644,571

Long-Term Liabilities

In recent years the District has received approval from the voters to issue $1,270 million in bonds. Measure E was approved for $40 million in November 1998 to fund various capital improvement projects and to construct a new middle school. Measure M in the amount of $150 million was approved in November 2000 to renovate the elementary schools of the District. Measure D was approved in March 2002 to renovate the secondary schools of the District as well as provide additional funds to supplement Measure M. This measure is in the amount of $300 million. Measure J was approved for $400 million in November 2005 to continue repairing all school facilities, improve classroom safety and technology. Finally, Measure D was approved for $380 million on June 8, 2010 will go to support energy efficiency projects including solar panels, dual-paned windows, drip irrigation and maintenance. The District will continue to sell and issue bonds authorized by these measures in amounts necessary to meet the cash flow needs of the construction projects as they progress over the next several years.

At year end the District had $921.9 million in general obligation bonds and other long-term liabilities outstanding, a slight increase over the prior year.

This is the second year the District has been required to report its Other Post Employment Benefit (OPEB) liability within its financial statements. That liability is reflected in the following table.

The activities of the District's long-term liabilities are reflected in the table below as well as the footnotes to the financial statements in note number 6. The General Obligation Bonds have been sold with insurance at the highest rating possible, AAA.

	Governmental Activities				
	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
Emergency Apportionment Loan	$11,866,981		$1,239,800	$10,627,181	$1,258,794
General Obligation Bonds	636,220,231	$190,269,708	68,267,117	758,222,822	15,395,830
Accreted Interest	28,681,797	10,501,132		39,182,929	
GO Bond Premium	7,289,215	9,978,438	621,750	16,645,903	
1994 Certificates of Participation	9,780,000		435,000	9,345,000	455,000
Voluntary Integration Program	2,872,000		1,000,000	1,872,000	1,000,000
Computer equipment acquisition	4,265,423		134,414	3,933,152	357,120
Compensated absences	3,435,034		495,755	2,939,279	
OPEB Obligation	50,747,951	44,531,861	16,364,564	78,915,248	
Child care facilities loan	321,395		97,524	223,871	97,524
Total Long-term liabilities	$755,282,170	$255,281,139	$86,655,924	$921,907,385	$18,564,268

The state limits the amount of general obligation debt the District can issue to 2.5 percent of the assessed value of all taxable property within the District's boundaries. The District has applied for and been granted a waiver of this limit by the California State Board of Education allowing the District to issue bonds up to an amount not to exceed 3.0% of assessed value.

Notes to Basic Financial Statements

The Notes to Basic Financial Statements complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Revenue Limit P-2 funded Average Daily Attendance (ADA) decreased by 266 from the prior year. Declining enrollment is impacting 50 percent of all school districts in California. The District continues to monitor this situation and has made budget reductions to counter the loss of revenue from declining enrollment.

The State of California continues to experience budget difficulties due to the economic crisis. The State budget deficit is expected to grow to $28 billion for 2011-12. It is unlikely that the current enacted budget for 2010-11 will remain intact, the Governor has called an emergency legislative session and mid-year cuts are a strong possibility. Since the majority of our revenue comes from the State, we will most certainly continue to experience budget challenges in this year and in the coming years. The State's current cash deferral program puts an additional strain on the District resources. The District will receive only 72% of the cash to operate the programs in the 2010-11 school year, with the other 28% of cash deferred to July and August.

BASIC FINANCIAL STATEMENTS

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	$ 304,238,142
Accounts receivable	45,231,219
Prepaid expenses	10,626,041
Stores inventory	701,448
Capital assets, net of accumulated depreciation (Note 4)	809,644,571
Total assets	1,170,441,421
LIABILITIES	
Accounts payable	50,093,396
Unpaid claims and claim adjustment expenses (Note 5)	500,000
Deferred revenue	11,014,802
Long-term liabilities (Note 6):	
Due within one year	18,564,268
Due after one year	903,343,117
Total liabilities	983,515,583
NET ASSETS	
Invested in capital assets, net of related debt	20,832,255
Restricted (Note 7)	258,320,446
Unrestricted	(92,226,863)
Total net assets	$ 186,925,838

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenues and Changes in Net Assets: Governmental Activities
Governmental activities (Note 4):					
Instruction	$ 180,557,998		$ 41,983,592	$ 575,998	$ (137,998,408)
Instruction-related services:					
Supervision of instruction	23,304,417		16,141,319		(7,163,098)
Instructional library, media and technology	3,580,782		278,362		(3,302,420)
School site administration	18,614,087		21,445		(18,592,642)
Pupil services:					
Home-to-school transportation	7,646,003		1,874,776		(5,771,227)
Food services	11,753,349	$ 1,165,245	10,103,333		(484,771)
All other pupil services	19,297,508		5,990,618		(13,306,890)
General administration:					
Data processing	2,832,563				(2,832,563)
All other general administration	17,002,983	52,909	2,094,177		(14,855,897)
Plant services	36,734,670	15,401	7,265,959		(29,453,310)
Ancillary services	7,801,561		5,459,107		(2,342,454)
Community services	106,613				(106,613)
Other outgo	1,009,130		337,218		(671,912)
Interest on long-term liabilities	43,221,370				(43,221,370)
Total governmental activities	$ 373,463,034	$ 1,233,555	$ 91,549,906	$ 575,998	(280,103,575)

General revenues:	
Taxes and subventions:	
Taxes levied for general purposes	60,680,005
Taxes levied for debt service	43,412,338
Taxes levied for other specific purposes	16,282,407
Federal and state aid not restricted to specific purposes	111,659,345
Interest and investment earnings	839,017
Miscellaneous	2,868,771
Total general revenues	235,741,883
Change in net assets	(44,361,692)
Net assets, July 1, 2009	231,287,530
Net assets, June 30, 2010	$ 186,925,838

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2010

	General Fund	Building Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
ASSETS						
Cash and investments:						
Cash in County Treasury	$ 18,091,691	$ 180,009,416	$ 12,739,000	$ 34,004,536	$ 11,534,727	$ 256,379,370
Cash awaiting deposit	3,436				1,050	4,486
Cash on hand and in banks	38,109				189,576	227,685
Cash in revolving fund	70,000					70,000
Cash with Fiscal Agent		7,867,666	126,380		1,749,800	9,743,846
Investments	93	23,583,037			10,712,137	34,295,267
Accounts receivable	41,707,691	214,060	206,458	15,946	3,087,064	45,231,219
Stores inventory	260,432				441,016	701,448
Total assets	$ 60,171,452	$ 211,674,179	$ 13,071,838	$ 34,020,482	$ 27,715,370	$ 346,653,321
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 13,546,939	$ 19,288,389	$ 1,608,482		$ 1,408,799	$ 35,852,609
Deferred revenue	5,572,566		5,378,843		63,393	11,014,802
Total liabilities	19,119,505	19,288,389	6,987,325		1,472,192	46,867,411
Fund balances:						
Reserved for:						
Revolving fund	70,000					70,000
Stores inventory	260,432				441,016	701,448
Unspent categorical revenue	25,612,527					25,612,527
Unreserved, reported in:						
General Fund	15,108,988					15,108,988
Special Revenue Funds					10,764,569	10,764,569
Capital Projects Funds		192,385,790	6,084,513		4,771,957	203,242,260
Debt Service Funds				$ 34,020,482	10,265,636	44,286,118
Total fund balances	41,051,947	192,385,790	6,084,513	34,020,482	26,243,178	299,785,910
Total liabilities and fund balances	$ 60,171,452	$ 211,674,179	$ 13,071,838	$ 34,020,482	$ 27,715,370	$ 346,653,321

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET - TO THE STATEMENT OF NET ASSETS

June 30, 2010

Total fund balances - Governmental Funds		$ 299,785,910
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used for governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The cost of the assets is $1,045,309,489 and the accumulated depreciation is $235,664,918 (Note 4).		809,644,571
Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities at June 30, 2010 consisted of (Note 6):		
General Obligation Bonds	$ (774,868,725)	
Accreted interest	(39,182,929)	
Certificates of Participation	(9,345,000)	
Emergency Apportionment Loan	(10,627,181)	
Voluntary Integration Plan	(1,872,000)	
Computer equipment acquisition loan	(3,933,152)	
Child care facilities loan	(223,871)	
Other Postemployment Benefits (OPEB) (Note 9)	(78,915,248)	
Compensated absences	(2,939,279)	
		(921,907,385)
Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost-recovery basis. Net assets of the Self-Insurance Fund are:		1,758,844
In the governmental funds, interest on long-term liabilities is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred:		(12,982,143)
Costs associated with the issuance of long-term liabilities are not financial resources and, therefore, are not reported as assets in governmental funds.		10,626,041
Total net assets - governmental activities		$ 186,925,838

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

For the Year Ended June 30, 2010

	General Fund	Building Fund	Special Reserve for Capital Outlay Projects Fund	Bond Interest and Redemption Fund	All Non-Major Funds	Total Governmental Funds
Revenues:						
Revenue limit sources:						
State apportionment	$ 84,035,526					$ 84,035,526
Local sources	58,284,551					58,284,551
Total revenue limit	142,320,077					142,320,077
Federal sources	31,062,400			$ 643,039	$ 10,406,867	42,112,306
Other state sources	63,976,273		$ 3,582,597	552,276	8,795,107	76,906,253
Other local sources	20,199,980	$ 4,963,061	1,117,421	46,352,600	2,630,295	75,263,357
Total revenues	257,558,730	4,963,061	4,700,018	47,547,915	21,832,269	336,601,993
Expenditures:						
Certificated salaries	110,694,305				2,753,943	113,448,248
Classified salaries	37,823,881	621,030	26,530		5,257,807	43,729,248
Employee benefits	60,199,786	240,784	6,040		2,794,941	63,241,551
Books and supplies	9,912,409	1,966,563	32,236		4,592,192	16,503,400
Contract services and operating expenditures	43,130,953	9,467,677	4,499,475		1,866,519	58,964,624
Capital outlay	1,248,554	62,583,387	752,500		1,943,777	66,528,218
Other outgo	33,137					33,137
Debt service:						
Principal retirement	2,374,214	56,785,000		11,482,117	532,524	71,173,855
Interest	241,250			27,816,175	491,949	28,549,374
Total expenditures	265,658,489	131,664,441	5,316,781	39,298,292	20,233,652	462,171,655
(Deficiency) excess of revenues (under) over expenditures	(8,099,759)	(126,701,380)	(616,763)	8,249,623	1,598,617	(125,569,662)
Other financing sources (uses):						
Operating transfers in	1,731,887			1,427,874	7,497,476	10,657,237
Operating transfers out	(926,928)	(1,998,422)			(7,731,887)	(10,657,237)
Proceeds from issuance of long-term liabilities		190,269,708				190,269,708
Total other financing sources (uses)	804,959	188,271,286		1,427,874	(234,411)	190,269,708
Net changes in fund balances	(7,294,800)	61,569,906	(616,763)	9,677,497	1,364,206	64,700,046
Fund balances, July 1, 2009	48,346,747	130,815,884	6,701,276	24,342,985	24,878,972	235,085,864
Fund balances, June 30, 2010	$ 41,051,947	$ 192,385,790	$ 6,084,513	$ 34,020,482	$ 26,243,178	$ 299,785,910

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2010

Net changes in fund balances - Total Governmental Funds		$ 64,700,046
Amounts reported for governmental activities in the statement of activities are different because:		
Acquisition of capital assets is an expenditure in the governmental funds, but increases capital assets in the statement of net assets (Note 4).	$ 75,654,207	
Depreciation of capital assets is an expense that is not recorded in the governmental funds (Note 4).	(14,886,264)	
Gain or loss from disposal of capital assets are reported as revenue for entire proceeds in the governmental funds, but in the statement of activities, only the resulting gain or loss is reported (Note 4).	(1,087,819)	
In governmental funds, if debt is issued at a premium or at a a discount, the premium or discount is recognized as revenue in the period it is incurred. In government-wide statements, the premium or discount is amortized as interest over the life of the debt (Note 6).	(9,356,688)	
In governmental funds, issuance of long-term debt is reported as income. In the government-wide statements, proceeds from debt are reported as increases to liabilities (Note 6).	(190,269,708)	
Repayment of principal on long-term liabilities is an expenditure in the governmental funds, but decreases the long-term liabilities in the statement of net assets (Note 6).	71,173,855	
Issuance costs and discounts related to the issuance of long-term liabilities is an expenditure in the governmental funds, but increases the assets in the statement of net assets.	5,160,691	
In governmental funds, interest on long-term liabilities is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred.	(4,792,213)	
Accreted interest on capital appreciation bonds is not recorded in the governmental funds, but increases the long-term liabilities in the statement of net assets (Note 6).	(10,501,532)	

(Continued)

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS - TO THE STATEMENT OF ACTIVITIES

(Continued)

For the Year Ended June 30, 2010

Internal service funds are used to conduct certain activities for which costs are charged to other funds on a full cost recovery basis. Change in net assets for the Self-Insurance Fund was:	$ (2,484,725)	
In government funds, OPEB costs are recognized when employer contributions are made. In the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between OPEB costs and actual employer contributions was (Notes 6 and 9):	(28,167,297)	
In the statement of activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used (Note 6).	495,755	$ (109,061,738)
Change in net assets of governmental activities		$ (44,361,692)

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF FUND NET ASSETS - PROPRIETARY FUND

SELF-INSURANCE FUND

June 30, 2010

ASSETS	
Cash in County Treasury	$ 3,477,275
Collections awaiting deposit	898
Cash with Fiscal Agent	39,315
Total assets	3,517,488
LIABILITIES	
Accounts payable	1,258,644
Unpaid claims and claim adjustment expenses	500,000
Total liabilities	1,758,644
NET ASSETS	
Restricted	$ 1,758,844

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET ASSETS - PROPRIETARY FUND

SELF-INSURANCE FUND

For the Year Ended June 30, 2010

Operating revenues:	
Self-insurance premiums	$ 2,542,306
Operating expenses:	
Contract services	5,027,031
Operating loss	(2,484,725)
Total net assets, July 1, 2009	4,243,569
Total net assets, June 30, 2010	$ 1,758,844

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

SELF-INSURANCE FUND

For the Year Ended June 30, 2010

Cash flows from operating activities:	
Cash received from self-insurance premiums	$ 2,542,306
Cash paid for claims	(1,350,572)
Cash paid for contract services	(2,500,096)
Net cash used in operating activities	(1,308,362)
Change in cash and cash equivalents	(1,308,362)
Cash and cash equivalents, July 1, 2009	4,825,850
Cash and cash equivalents, June 30, 2010	$ 3,517,488
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (2,484,725)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Decrease in accounts payable	1,176,363
Net cash used in operating activities	$ (1,308,362)

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF FIDUCIARY NET ASSETS

ALL TRUST AND AGENCY FUNDS

June 30, 2010

	Trust Fund	Agency Fund	
	Retiree Benefits Trust	Payroll Clearing Fund	Total
ASSETS			
Cash in County Treasury (Note 2)	$ 4,678,765	$ 945,077	$ 5,623,842
Collections awaiting deposit (Note 2)		14,027	14,027
Investments (Note 2)	7,108,254		7,108,254
Accounts receivable	12,740	78,131	90,871
Total assets	11,799,759	1,037,235	12,836,994
LIABILITIES			
Accounts payable	626	1,037,235	1,037,861
NET ASSETS			
Restricted (Note 7)	$ 11,799,133	$ -	$ 11,799,133

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS

RETIREE BENEFITS TRUST FUND

For the Year Ended June 30, 2010

Revenues:	
Other local sources	$ 16,270,588
Expenditures:	
Contract services and operating expenditures (Note 9)	16,364,564
Change in net assets	(93,976)
Net assets, July 1, 2009	11,893,109
Net assets, June 30, 2010	$ 11,799,133

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

West Contra Costa Unified School District (the "District") accounts for its financial transactions in accordance with the policies and procedures of the California Department of Education's *California School Accounting Manual*. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants. The following is a summary of the more significant policies:

Reporting Entity

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

On January 13, 1994, certain members of the District's Board of Education and District employees formed a nonprofit benefit corporation, known as the West Contra Costa Unified School District Financing Corporation (the "Corporation"), which is organized under the Nonprofit Benefit Corporation Law of the State of California. The purpose of this Corporation is to provide financial assistance to the District by financing, constructing and leasing various public facilities, land, and equipment for the use, benefit, and enjoyment of the public served by the District. The Corporation issued Certificates of Participation (COPs), a form of long-term debt, which the District used to finance continuing operations. The COPs are collateralized by an underlying lease-purchase agreement between the Corporation and the District.

The District and the Corporation have a financial and operational relationship that meets the reporting entity definition of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Corporation as a component unit of the District. The basic, but not the only criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for general purpose financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that the nongovernmental unit is dependent on another and the dependent unit should be reported as part of the other.

Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reporting Entity (Continued)

Accordingly, for the year ended June 30, 2010, the financial activities of the Corporation have been blended into the financial statements of the District. The Corporation's financial activities are presented in the Corporation Debt Service Fund. COPs issued by the Corporation are included as long-term liabilities in the government-wide financial statements.

Basis of Presentation - Financial Statements

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

Basis of Presentation - Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the government-wide financial statements. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets and the Statement of Change in Fiduciary Net Assets at the fund financial statement level.

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

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

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into three broad categories which, in aggregate, include seven fund types as follows:

A - Governmental Fund Types

1. General Fund:

The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

2. Special Revenue Funds:

The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. This classification includes the Adult Education, Child Development, Cafeteria, Deferred Maintenance and Special Reserve for Other Than Capital Outlay Projects Funds.

3. Capital Projects Funds:

The Capital Projects Funds are used to account for resources used for the acquisition or construction of capital facilities by the District. This classification includes the Building, Special Reserve for Capital Outlay Projects, Capital Facilities and County School Facilities Funds.

4. Debt Service Funds:

The Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term liabilities principal, interest, and related costs. This classification includes the Bond Interest and Redemption, Corporation Debt Service and Debt Service Funds.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation - Fund Accounting (Continued)

B - Proprietary Fund

1. Self-Insurance Fund:

The Self-Insurance Fund is an internal service fund used to account for services rendered on a cost-reimbursement basis within the District. The Self-Insurance Fund is used to account for resources committed to pay for costs arising from property losses and liability claims that are covered, or only partially covered, through purchased insurance.

C - Fiduciary Funds

1. Trust Fund:

The Retiree Benefits Trust Fund is a Trust Fund used to account for the accumulation of funds for the District's defined post-employment healthcare plan.

2. Agency Fund:

The Payroll Clearing Fund is an Agency Fund used by the District to account for assets held by the District as trustee. The "due to regulatory agencies" account within the Payroll Clearing Fund is used to hold dedicated funds for payroll and related expenses.

Basis of Accounting

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

Accrual

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Modified Accrual

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

Budgets and Budgetary Accounting

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

The District employs budget control by major object code and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object code. The budgets are revised during the year by the Board of Education to provide for unanticipated revenues and expenditures. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information.

Stores Inventory

Inventories in the General and Cafeteria Funds are valued at average cost. Stores inventory recorded in the General and Cafeteria Funds consists mainly of school supplies and consumable supplies. Inventories are recorded as an expenditure at the time the individual inventory items are transferred from the warehouse to schools and offices.

Cafeteria Food Purchases

Cafeteria purchases include food purchased through the State of California Office of Surplus Property, for which the District is required to pay only a handling charge. The state does not require the Cafeteria Fund to record the fair market value of these commodities. The expenditures for these items would have been greater had the District paid fair market value for the government surplus food commodities.

Capital Assets

Capital assets purchased or acquired, with an original cost of $5,000 or more, are recorded at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 4 - 30 years depending on asset types.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences

Compensated absences totaling $2,939,279 are recorded as a liability of the District. The liability is for the earned but unused benefits.

Accumulated Sick Leave

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

Deferred Revenue

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

Restricted Net Assets

Restrictions of the ending net assets indicate the portions of net assets not appropriable for expenditure or amounts legally segregated for a specific future use. The restrictions for revolving cash fund, prepaid expenses and stores inventory reflect the portions of net assets represented by revolving cash fund, prepaid expenses and stores inventory, respectively. These amounts are not available for appropriation and expenditure at the balance sheet date. The restriction for unspent categorical program revenues are state programs where the revenue received is restricted for expenditures only in that particular program. The restriction for the future payment of self-insurance claims represents the portion of net assets to be used for future payment of self-insured claims. The restriction for special revenues represents the portion of net assets restricted for special purposes. The restriction for debt service repayments represents the portion of net assets which the District plans to expend on debt repayment. The restriction for capital projects represents the portion of net assets restricted for capital projects. The restriction for retiree benefits represents the portion of net assets which will be used for payment of health insurance premiums for current and future retirees.

Property Taxes

Secured property taxes are attached as an enforceable lien on property as of March 1. Taxes are due in two installments on or before December 10 and April 10. Unsecured property taxes are due in one installment on or before August 31. The County of Contra Costa bills and collects taxes for the District.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid.

Eliminations and Reclassifications

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

Estimates

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

2. CASH AND INVESTMENTS

Cash and investments at June 30, 2010 consisted of the following:

	Governmental Activities			
	Governmental Funds	Proprietary Fund	Total	Fiduciary Activities
Pooled Funds:				
Cash in County Treasury	$256,379,370	$ 3,477,275	$259,856,645	$ 5,623,842
Cash awaiting deposit	4,486	898	5,384	14,027
Deposits:				
Cash on hand and in banks	227,685		227,685	
Cash in revolving fund	70,000		70,000	
Total pooled funds and deposits	256,681,541	3,478,173	260,159,714	5,637,869
Investments:				
Cash with Fiscal Agent	9,743,846	39,315	9,783,161	
Local Agency Investment Fund	34,295,267		34,295,267	7,108,254
Total investments	44,039,113	39,315	44,078,428	7,108,254
Total	$300,720,654	$ 3,517,488	$304,238,142	$ 12,746,123

2. CASH AND INVESTMENTS (Continued)

Pooled Funds

In accordance with Education Code Section 41001, the District maintains substantially all of its cash in the Contra Costa County Treasury. The County pools these funds with those of school districts in the County and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool. Earnings are calculated on an annual basis and funds allocated to participating funds are adjusted to the calculated annual rate at year-end.

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

In accordance with applicable state laws, the Contra Costa County Treasurer may invest in derivative securities. However, at June 30, 2010, the Contra Costa County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk

Cash balances held in banks and revolving funds are insured up to $250,000 by the Federal Depository Insurance Corporation (FDIC). As of June 30, 2010, the carrying amount of the District's accounts were $297,685, and the bank balances were $322,872. Of the bank balances, $307,079 was covered by the FDIC insurance and $15,793 was uninsured.

Cash with Fiscal Agent

The Cash with Fiscal Agent in the Building Fund represents contract retentions that are placed with an independent third party. These amounts are carried in the contractor's name and all investment risk resides with the contractor.

The Cash with Fiscal Agent in the Capital Facilities, Corporation Debt Service and Self-Insurance Funds represents amounts held by third parties in the District's name.

2. CASH AND INVESTMENTS (Continued)

Local Agency Investment Fund

West Contra Costa Unified School District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in the pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investments funds are not subject to categorization by risk category. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account within twenty-four hours notice. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, and floating rate securities issued by federal agencies, government-sponsored enterprises and corporations. LAIF is administered by the State Treasurer. LAIF investments are audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall; Sacramento, California 95814. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity and yield are not jeopardized.

Interest Rate Risk

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. At June 30, 2010, the District had no significant interest rate risk related to cash and investments held.

Credit Risk

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

Concentration of Credit Risk

The District does not place limits on the amount it may invest in any one issuer. At June 30, 2010, the District had no concentration of credit risk.

3. INTERFUND TRANSACTIONS

Interfund Activity

Transactions between funds of the District are recorded as interfund transfers, except for the Self-Insurance Fund activity which is recorded as income and expenditures of the Self-Insurance Fund and the funds which incur payroll costs, respectively. The unpaid balances at year end, as a result of such transactions, are shown as due to and due from other funds.

Interfund Receivables/Payables

There were no individual interfund receivable and payable balances at June 30, 2010.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Interfund transfers for the 2009-2010 fiscal year were as follows:

Transfer from the General Fund to the Corporation Debt Service Fund to cover payments on the Certificates of Participation.	$ 926,928
Transfer from the Building Fund to the Bond Interest Redemption Fund to reclassify the bond funds received that should have originally gone into the Bond Interest Redemption Fund.	1,427,874
Transfer from the Building Fund to the County School Facilities Fund to match the state grant allocation.	570,548
Transfer from the Adult Education Fund to the General Fund for indirect support costs.	1,118,988
Transfer from the Adult Education Fund to the Special Reserve for Other Than Capital Outlay Projects Fund for Tier III flexibility provisions of SBX3 4.	2,000,000
Transfer from the Child Development Fund to the General Fund for indirect support costs.	140,065
Transfer from the Cafeteria Fund to the General Fund for indirect support costs.	472,834
Transfer from the Deferred Maintenance Fund to the Special Reserve for Other Than Capital Outlay Projects Fund for Tier III flexibility provisions of SBX3 4.	4,000,000
	$ 10,657,237

4. CAPITAL ASSETS

A schedule of changes in capital assets for the year ended June 30, 2010 is shown below:

	Balance July 1, 2009	Transfers and Additions	Transfers and Deductions	Balance June 30, 2010
Governmental Activities				
Non-depreciable:				
Land	$ 52,371,291			$ 52,371,291
Work-in-process	271,379,997	$ 73,864,460	$ 123,425,846	221,818,611
Depreciable:				
Buildings	591,772,417	116,428,067	7,238,919	700,961,565
Site improvements	52,366,719	7,333,268	1,439,639	58,260,348
Equipment	11,963,427	1,454,258	1,520,011	11,897,674
Totals, at cost	979,853,851	199,080,053	133,624,415	1,045,309,489
Less accumulated depreciation:				
Buildings	(183,508,800)	(13,143,700)	(6,486,513)	(190,165,987)
Site improvements	(40,008,952)	(939,705)	(1,439,639)	(39,509,018)
Equipment	(6,371,652)	(802,859)	(1,184,598)	(5,989,913)
Total accumulated depreciation	(229,889,404)	(14,886,264)	(9,110,750)	(235,664,918)
Capital assets, net	$ 749,964,447	$ 184,193,789	$ 124,513,665	$ 809,644,571

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 8,057,851
Supervision of instruction	1,048,381
Instructional library, media and technology	163,111
School site administration	822,248
Home to school transportation	377,710
Food services	560,774
All other pupil services	876,996
Ancillary services	359,594
Community services	4,669
All other general administration	756,030
Data processing	133,058
Plant services	1,725,842
Total depreciation expense	$ 14,886,264

5. SELF-INSURANCE CLAIMS

The District is self-insured for property and liability claims. For accounting and reporting purposes, the District has established a separate Self-Insurance Fund for the payment of claims. For the year ended June 30, 2010, the District provides coverage up to a maximum of $100,000 for each property or liability claim. The District participates in a joint powers authority for claims in excess of coverage provided by the Fund (Note 10).

The liability for unpaid claims and claim adjustment expenses represents the ultimate cost of claims that have been reported but not settled and of claims that have been incurred but not reported. These claims will be paid in future years.

District management recomputes the liability annually using available updated claims data. Every three years, the District contracts with an actuary who performs an actuarial study using a variety of statistical techniques to produce current estimates that consider claim frequency and other economic factors.

The liabilities for unpaid claims and claim adjustment expenses are as follows:

	June 30, 2010	June 30, 2009
Unpaid claim and claim adjustment expenses, beginning of year	$ 500,000	$ 500,000
Total incurred claims and claim adjustment expenses	1,350,572	1,469,439
Total payments	(1,350,572)	(1,469,439)
Total unpaid claims and claim adjustment expenses at end of year	$ 500,000	$ 500,000

6. LONG-TERM LIABILITIES

General Obligation Bonds

Bond	Interest Rate %	Date of Issuance	Maturity Date	Amount of Original Issuance	Outstanding July 1, 2009	Issued Current Year	Redeemed Current Year	Outstanding June 30, 2010
Measure E, Refunding Series A	4.15% - 5.7%	2001	2025	$ 28,610,000	$ 21,650,000		$ 1,005,000	$ 20,645,000
Measure E, Refunding Series B	4.3% - 6.0%	2001	2025	10,255,000	7,895,000		345,000	7,550,000
Measure M, Series A	5.0% - 8.0%	2001	2031	15,000,000	13,235,000		13,235,000	
Measure M, Series B	4.0% - 6.0%	2002	2031	40,000,000	36,185,000		35,300,000	885,000
Measure M, Series C	2.5% - 5.0%	2003	2032	95,000,000	86,895,000		2,230,000	84,665,000
Measure D, Series A	4.25% - 7.0%	2002	2031	30,000,000	27,015,000		690,000	26,325,000
Measure D, Series B	4.1% - 5.0%	2003	2032	100,000,000	89,690,000		2,270,000	87,420,000
Measure D, Series C, Current Interest	4.0% - 5.0%	2004	2035	40,000,000	37,970,000		745,000	37,225,000
Measure D, Series C Capital Appreciation	2.4% - 5.8%	2004	2035	29,999,377	29,589,577		372,121	29,217,456
Measure D, Series D, Capital Appreciation	3.15% - 5.05%	2006	2035	99,998,106	97,925,654		1,254,996	96,670,658
Measure J, Series A	4.0% - 5.0%	2006	2035	70,000,000	68,170,000		5,845,000	62,325,000
Measure J, Series B	5.0% - 6.0%	2009	2036	120,000,000	120,000,000		4,975,000	115,025,000
Measure J, Series C1	6.24% - 12.0%	2010	2033	52,084,759		$ 52,084,759		52,084,759
Measure J, Series C2	8.46%	2010	2034	52,825,000		52,825,000		52,825,000
2009 Refunding	3.0% - 5.38%	2010	2031	57,860,000		57,860,000		57,860,000
Measure J, Series D1	6.56%	2010	2024	25,000,000		25,000,000		25,000,000
Measure J, Series D2	6.80% - 6.81%	2010	2036	2,499,949		2,499,949		2,499,949
				$ 869,132,191	$ 636,220,231	$ 190,269,708	$ 68,267,117	$ 758,222,822

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2001 Refunding Measure E, Series A, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 1,040,000	$ 1,116,999	$ 2,156,999
2012	1,110,000	1,066,349	2,176,349
2013	1,160,000	1,011,441	2,171,441
2014	1,225,000	953,335	2,178,335
2015	1,295,000	890,880	2,185,880
2016-2020	7,605,000	3,346,480	10,951,480
2021-2025	7,110,000	1,041,276	8,151,276
2026	100,000	2,875	102,875
	$ 20,645,000	$ 9,429,635	$ 30,074,635

The annual requirements to amortize the 2001 Refunding Measure E, Series B, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 360,000	$ 438,110	$ 798,110
2012	380,000	419,768	799,768
2013	395,000	399,844	794,844
2014	425,000	378,785	803,785
2015	445,000	355,855	800,855
2016-2020	2,685,000	1,354,550	4,039,550
2021-2025	2,860,000	442,050	3,302,050
	$ 7,550,000	$ 3,788,962	$ 11,338,962

The annual requirements to amortize the 2001 Measure M, Series B, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 885,000	$ 18,500	$ 903,500

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2003 Measure M, Series C, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 2,320,000	$ 4,073,363	$ 6,393,363
2012	2,415,000	3,978,663	6,393,663
2013	2,490,000	3,880,563	6,370,563
2014	2,570,000	3,779,363	6,349,363
2015	2,660,000	3,674,763	6,334,763
2016-2020	14,860,000	16,371,469	31,231,469
2021-2025	18,190,000	12,144,675	30,334,675
2026-2030	22,730,000	7,054,250	29,784,250
2031-2033	16,430,000	1,258,000	17,688,000
	$ 84,665,000	$ 56,215,109	$140,880,109

The annual requirements to amortize the 2002 Measure D, Series A, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 725,000	$ 1,258,039	$ 1,983,039
2012	750,000	1,226,695	1,976,695
2013	780,000	1,194,183	1,974,183
2014	810,000	1,160,395	1,970,395
2015	845,000	1,125,226	1,970,226
2016-2020	4,815,000	5,004,585	9,819,585
2021-2025	6,085,000	3,669,375	9,754,375
2026-2030	7,800,000	1,942,500	9,742,500
2031-2032	3,715,000	188,125	3,903,125
	$ 26,325,000	$ 16,769,123	$ 43,094,123

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2003 Measure D, Series B, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 2,360,000	$ 4,159,115	$ 6,519,115
2012	2,455,000	4,041,690	6,496,690
2013	2,555,000	3,929,215	6,484,215
2014	2,640,000	3,825,315	6,465,315
2015	2,735,000	3,717,815	6,452,815
2016-2020	15,360,000	16,705,620	32,065,620
2021-2025	18,855,000	12,552,375	31,407,375
2026-2030	23,520,000	7,280,500	30,800,500
2031-2033	16,940,000	1,297,000	18,237,000
	$ 87,420,000	$ 57,508,645	$144,928,645

The annual requirements to amortize the 2005 Measure D, Series C, Current Interest General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 780,000	$ 1,781,798	$ 2,561,798
2012	820,000	1,749,798	2,569,798
2013	860,000	1,716,198	2,576,198
2014	905,000	1,680,898	2,585,898
2015	950,000	1,642,610	2,592,610
2016-2020	5,435,000	7,570,978	13,005,978
2021-2025	6,920,000	6,115,731	13,035,731
2026-2030	8,950,000	4,066,250	13,016,250
2031-2035	11,605,000	1,511,375	13,116,375
	$ 37,225,000	$ 27,835,636	$ 65,060,636

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2005 Measure D, Series C, Capital Appreciation General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 470,644	$ 184,356	$ 655,000
2012	567,683	267,317	835,000
2013	656,115	363,885	1,020,000
2014	739,473	475,527	1,215,000
2015	814,828	600,172	1,415,000
2016-2020	4,294,331	4,545,669	8,840,000
2021-2025	6,073,925	10,466,075	16,540,000
2026-2030	7,070,704	18,269,296	25,340,000
2031-2035	8,529,753	32,075,247	40,605,000
	$ 29,217,456	$ 67,247,544	$ 96,465,000

The annual requirements to amortize the 2006 Measure D, Series D, Capital Appreciation General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 1,420,186	$ 814,814	$ 2,235,000
2012	2,105,460	519,540	2,625,000
2013	2,327,598	717,402	3,045,000
2014	2,527,733	952,267	3,480,000
2015	2,719,715	1,215,285	3,935,000
2016-2020	17,645,275	12,759,725	30,405,000
2021-2025	19,796,145	24,758,855	44,555,000
2026-2030	22,018,522	42,601,478	64,620,000
2031-2035	26,110,024	73,614,974	99,724,998
	$ 96,670,658	$157,954,340	$254,624,998

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2006 Measure J, Series A, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 1,045,000	$ 2,979,903	$ 4,024,903
2012		2,959,003	2,959,003
2013		2,959,003	2,959,003
2014	545,000	2,948,103	3,493,103
2015	1,710,000	2,903,003	4,613,003
2016-2020	9,630,000	13,368,311	22,998,311
2021-2025	11,875,000	10,910,188	22,785,188
2026-2030	14,780,000	7,598,250	22,378,250
2031-2035	18,510,000	3,455,000	21,965,000
2036	4,230,000	105,750	4,335,750
	$ 62,325,000	$ 50,186,514	$112,511,514

The annual requirements to amortize the 2009 Measure J, Series B, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011		$ 6,656,375	$ 6,656,375
2012		6,656,375	6,656,375
2013		6,656,375	6,656,375
2014		6,656,375	6,656,375
2015		6,656,375	6,656,375
2016-2020	$ 8,825,000	32,142,250	40,967,250
2021-2025	16,900,000	28,442,625	45,342,625
2026-2030	34,700,000	20,650,688	55,350,688
2031-2035	35,500,000	10,504,688	46,004,688
2036	19,100,000	537,188	19,637,188
	$115,025,000	$125,559,314	$240,584,314

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2010 Measure J, Series C, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2016-2020	$ 3,902,594	$ 7,192,406	$ 11,095,000
2021-2025	8,488,143	13,646,857	22,135,000
2026-2030	22,694,783	53,955,217	76,650,000
2031-2034	16,999,239	63,950,761	80,950,000
	$ 52,084,759	$138,745,241	$190,830,000

The annual requirements to amortize the 2010 Measure J, Series C, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011		$ 4,468,995	$ 4,468,995
2012		4,468,995	4,468,995
2013		4,468,995	4,468,995
2014		4,468,995	4,468,995
2015		4,468,995	4,468,995
2016-2020		22,344,975	22,344,975
2021-2025		22,344,975	22,344,975
2026-2030		22,344,975	22,344,975
2031-2035	$ 52,825,000	18,342,338	71,167,338
	$ 52,825,000	$107,722,238	$160,547,238

6. LONG-TERM LIABILITIES (Continued)

General Obligation Bonds (Continued)

The annual requirements to amortize the 2009 Measure J and M, General Obligation Bonds Refund outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 3,990,000	$ 2,272,856	$ 6,262,856
2012	3,915,000	2,143,456	6,058,456
2013	3,600,000	2,019,906	5,619,906
2014	4,575,000	1,878,331	6,453,331
2015	5,120,000	1,690,656	6,810,656
2016-2020	27,615,000	4,302,575	31,917,575
2021-2025	3,145,000	1,934,784	5,079,784
2026-2030	3,990,000	1,058,263	5,048,263
2031-2032	1,910,000	104,006	2,014,006
	$ 57,860,000	$ 17,404,833	$ 75,264,833

The annual requirements to amortize the 2010 Measure J, Series D1, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2011		$ 172,545	$ 172,545
2012		286,250	286,250
2013		286,250	286,250
2014		286,250	286,250
2015		286,250	286,250
2016-2020		1,431,250	1,431,250
2021-2025	$ 25,000,000	1,090,613	26,090,613
	$ 25,000,000	$ 3,839,408	$ 28,839,408

The annual requirements to amortize the 2010 Measure J, Series D2, General Obligation Bonds Payable, outstanding as of June 30, 2010, are as follows:

Year Ended June 30,	Principal	Interest	Total
2036-2037	$ 2,499,949	$ 31,320,051	$ 33,820,000

6. LONG-TERM LIABILITIES (Continued)

Certificates of Participation (COPs)

On August 24, 2005, the West Contra Costa Unified School District Financing Corporation issued Certificates of Participation (COPs). The proceeds of this issuance were used to refund a 1994 COPS issuance. Semi-annual payments are made and include interest at amounts varying from 4.34% to 5.15%.

Scheduled payments for the COPs are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 455,000	$ 469,007	$ 924,007
2012	475,000	447,577	922,577
2013	500,000	424,967	924,967
2014	525,000	400,867	925,867
2015	555,000	375,352	930,352
2016-2020	3,205,000	1,434,204	4,639,204
2021-2024	3,630,000	511,395	4,141,395
	$ 9,345,000	$ 4,063,369	$ 13,408,369

Emergency Apportionment Loan

In July 1990, the District obtained an emergency apportionment loan from the State of California in the amount of $9,525,000. In May 1991, the District received an additional loan from the State of California for $19,000,000 under the conditions of a court order. The State of California agreed to restructure the repayment of these loans on June 30, 1993. The restructure provided for the consolidation of the two loans and a 15 year repayment period with annual interest rate of 4.543%. On October 13, 1997, the State of California agreed to restructure the remaining debt following the District's fiscal year 1997-98 payment. The outstanding balance is to be repaid using the straight line amortization method over a 20 year term and bearing interest at 5.692%. Additional legislation, Assembly Bill 2756 on June 21, 2004, reduced the interest rate of the repayment of the emergency apportionment thereby reducing annual payments by approximately $400,000. Payments are made on February 1 of each year from any available funds of the District and are calculated using a future interest rate of 1.532%.

The revised future principal and interest payments of the loan are as follows:

Year Ended June 30,	Principal	Interest	Total
2011	$ 1,258,794	$ 162,808	$ 1,421,602
2012	1,278,078	143,524	1,421,602
2013	1,297,658	123,944	1,421,602
2014	1,317,539	104,063	1,421,602
2015	1,337,723	83,879	1,421,602
2016-2018	4,137,389	127,412	4,264,801
	$ 10,627,181	$ 745,630	$ 11,372,811

6. LONG-TERM LIABILITIES (Continued)

Voluntary Integration Plan

The Voluntary Integration Program debt represents cost disallowances of $7,652,000 based on state audits of program expenditures in fiscal years 1988-89 and 1989-90. Subsequently, the District entered into an agreement with the State of California to repay this amount beginning in June 1993. During fiscal year 1992-93, the original agreement was restructured to allow the District to make the June 30, 1992, payment of $200,000 as scheduled, with the remaining balance scheduled to be repaid beginning in 1998. Repayment of the voluntary integration debt is shown as follows:

Year Ending June 30,	Total Payments
2011	$ 1,000,000
2012	872,000
Total payments	$ 1,872,000

Computer Equipment Acquisition Loan

During fiscal year 1989-90, the District financed the acquisition of an administrative and instructional computer system with a loan from IBM. The acquired assets collateralized the loans. Subsequent to June 30, 1993, the District restructured the debt to allow for one payment during fiscal year 1993-94 and the remaining payments of $3,623,744, represented by $2,459,111 of principal and $1,164,633 of interest, payable in fiscal years 2007-08 through 2015-16. The Pooled Money investment rate of 4.402% as of June 30, 1994, was used to impute the interest costs implicit in the repayment amounts.

Year Ending June 30,	Total Payments
2011	$ 425,000
2012	1,242,000
2013	625,000
2014	625,000
2015	625,000
2016	625,000
	4,167,000
Less amount representing interest	(233,848)
Total payments	$ 3,933,152

6. LONG-TERM LIABILITIES (Continued)

Child Care Facilities Loan

On February 7, 2001, the District received a no-interest loan from the California Department of Education for the development and acquisition of child care facilities. The District received an initial amount of $573,048 with the District repaying $33,000 of the loan. In 2002-03, the District received an additional $598,060. The carrying balance of the loan as of June 30, 2010 is $223,871. The loan balance is to be repaid in ten annual installments.

The following is a schedule of loan repayments:

Year Ending June 30,	Total Payments
2011	$ 97,524
2012	97,524
2013	28,823
Total payments	$ 223,871

Schedule of Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2010 is shown below:

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010	Amounts Due Within One Year
Governmental activities:					
General Obligation Bonds	$ 636,220,231	$ 190,269,708	$ 68,267,117	$ 758,222,822	$ 15,395,830
General Obligation Bonds Premium	7,289,215	9,978,438	621,750	16,645,903	
Accreted interest	28,681,797	10,501,132		39,182,929	
Certificates of Participation	9,780,000		435,000	9,345,000	455,000
Emergency Apportionment Loan	11,866,981		1,239,800	10,627,181	1,258,794
Voluntary Integration Plan	2,872,000		1,000,000	1,872,000	1,000,000
Computer equipment acquisition loan	4,067,566		134,414	3,933,152	357,120
Child care facilities loan	321,395		97,524	223,871	97,524
OPEB Obligation	50,747,951	44,531,861	16,364,564	78,915,248	
Compensated absences	3,435,034		495,755	2,939,279	
Total	$ 755,282,170	$ 255,281,139	$ 88,655,924	$ 921,907,385	$ 18,564,268

6. LONG-TERM LIABILITIES (Continued)

Schedule of Changes in Long-Term Liabilities (Continued)

Payments on the General Obligation Bonds are made from the Bond Interest and Redemption Fund. Payments on the Certificates of Participation are made from the Corporation Debt Service Fund. Payments on the Emergency Apportionment Loan are made from the Debt Service Fund. Payments on the Voluntary Integration Plan and computer equipment acquisition loan are made from the General Fund. Payments on the child care facilities acquisition loan are made from the Child Development Fund. Payments on the OPEB obligation are made from the Retiree Benefits Trust Fund. Payments on compensated absences are made from the fund for which the related employee worked.

7. RESTRICTED NET ASSETS

Restricted net assets consisted of the following at June 30, 2010:

	Governmental Activities	Fiduciary Funds
Restricted for revolving cash	$ 70,000	
Restricted for prepaid expenses	10,626,041	
Restricted for stores inventory	701,448	
Restricted for unspent categorical program revenues	25,612,527	
Restricted for future payment of self-insured claims	1,758,844	
Restricted for special revenues	10,764,569	
Restricted for debt service	38,745,510	
Restricted for capital projects	170,041,507	
Restricted for retiree benefits		$ 11,799,133
Total restricted net assets	$258,320,446	$ 11,799,133

8. EMPLOYEE RETIREMENT SYSTEMS

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

8. EMPLOYEE RETIREMENT SYSTEMS (Continued)

Plan Description and Provisions

California Public Employees' Retirement System (CalPERS)

Plan Description

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

Funding Policy

Active plan members are required to contribute 7.0% of their salary and the District is required to contribute an actuarially determined rate. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution rate for fiscal year 2009-2010 was 9.709% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to CalPERS for the fiscal years ending June 30, 2008, 2009 and 2010 were $3,738,408, $3,669,145 and $3,343,635, respectively, and equal 100% of the required contributions for each year.

State Teachers' Retirement System (STRS)

Plan Description

The District contributes to the State Teachers' Retirement System (STRS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by STRS. The plan provides retirement, disability and survivor benefits to beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the State Teachers' Retirement Law. STRS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the STRS annual financial report may be obtained from the STRS Executive Office, 100 Waterfront Place, West Sacramento, California 95605.

Funding Policy

Active plan members are required to contribute 8.0% of their salary. The required employer contribution rate for fiscal year 2009-2010 was 8.25% of annual payroll. The contribution requirements of the plan members are established by state statute. The District's contributions to STRS for the fiscal years ending June 30, 2008, 2009 and 2010 were $9,928,367, $9,485,900 and $8,846,010, respectively, and equal 100% of the required contributions for each year.

9. OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 8, the District provides post-employment health benefits to all employees (1) hired prior to December 31, 2006 and who have attained five continuous years of service with the District (as defined by PERS/STRS); (2) are hired after January 1, 2007 and have attained ten continuous years of service with the District (as defined by PERS/STRS). Dental benefits are provided to employees who meet the rule of "75" (number of years worked plus age equals 75 or more) to qualify for post employment dental benefits. As of June 30, 2010, a total of 2,395 retirees met the health care benefit requirement.

The District offers retirees a choice of two health maintenance organizations (HMO's) for health benefits and a supplemental Medicare Part A Plan; dental benefits are offered through one insurer. The District pays 100% for the monthly HMO up to the cost of the CalPERS Northern California Blue Shield health plan and 100% dental for eligible employees and their spouses who retired prior to January 1, 2007. Employees who retire after January 1, 2007 are covered by the terms of their bargaining union that are in effect at their retirement date. All eligible retirees and their spouses who qualify for Medicare benefits must apply for and pay for the Part B premium as required by law. Expenditures for post-employment health care benefits are recognized when paid.

Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual required contribution	$ 44,271,276
Interest on net OPEB obligation	1,883,979
Adjustment to annual required contribution	(1,623,394)
Annual OPEB cost	44,531,861
Contributions made	(16,364,564)
Increase in net OPEB obligation	28,167,297
Net OPEB obligation - beginning of year	50,747,951
Net OPEB obligation - end of year	$ 78,915,248

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation (Continued)

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

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2008	$ 39,986,982	37.2%	$ 24,469,980
June 30, 2009	$ 41,403,868	36.5%	$ 50,747,951
June 30, 2010	$ 44,531,861	56.4%	$ 78,915,248

Funded Status and Funding Progress

As of June 30, 2007, the most recent actuarial valuation date, the plan was unfunded. The actuarial liability for benefits was $522,937,719 and the actuarial value of assets was $0, resulting in a unfunded actuarial accrued liability (UAAL) of $522,937,719. However, the District has set aside $11,799,133 in the Retiree Benefits Trust Fund for future payment of these benefits. No current employees are covered by the Plan.

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

Actuarial Methods and Assumptions

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

9. OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Methods and Assumptions (Continued)

In the July 1, 2007 actuarial valuation, the entry age normal cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan on the valuation date, and an annual healthcare cost trend rate of 8.5 percent initially, reduced by decrements to an ultimate rate of 5.5 percent after 10 years. Both rates included a 3.25 percent inflation assumption. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at June 30, 2010, was 28 years.

10. JOINT POWERS AGREEMENTS

Contra Costa County Schools Insurance Group

The District is a member with other school districts of a Joint Powers Authority, Contra Costa County Schools Insurance Group (CCCSIG), for the operation of a common risk management and insurance program for workers' compensation coverage. The following is a summary of financial information for CCCSIG at June 30, 2010:

Total assets	$	97,277,482
Total liabilities	$	72,699,996
Total net assets	$	24,577,486
Total revenues	$	44,125,911
Total expenses	$	44,207,706
Change in net assets	$	(81,795)

Northern California Regional Liability Excess Fund (Nor Cal Relief)

The District is a member with other agencies of a Joint Powers Authority, Northern California Regional Liability Excess Fund (Nor Cal Relief), for the operation of a common risk management and insurance program for property and liability coverage. The following is a summary of financial information for Nor Cal Relief at June 30, 2010:

Total assets	$	53,768,412
Total liabilities	$	33,726,756
Total net assets	$	20,041,656
Total revenues	$	37,856,693
Total expenses	$	29,885,518
Change in net assets	$	7,971,175

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

11. CONTINGENCIES

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

The District has received federal and state funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under terms of the grants, it is management's opinion that any required reimbursements or future revenue offsets subsequently determined will not have a material effect on the District's financial position.

12. SUBSEQUENT EVENTS

The District has reviewed all events occurring from June 30, 2010 through December 10, 2010, the date the financial statements were issued. No subsequent events occurred requiring accrual or disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

For the Year Ended June 30, 2010

	Budget Original	Budget Final	Actual	Variance Favorable (Unfavorable)
Revenues:				
Revenue limit sources:				
State apportionment	$ 81,689,207	$ 82,799,754	$ 84,035,526	$ 1,235,772
Local sources	67,327,449	59,405,992	58,284,551	(1,121,441)
Total revenue limit	149,016,656	142,205,746	142,320,077	114,331
Federal sources	30,618,614	40,458,174	31,062,400	(9,395,774)
Other state sources	61,563,405	62,769,959	63,976,273	1,206,314
Other local sources	18,756,038	19,695,408	20,199,980	504,572
Total revenues	259,954,713	265,129,287	257,558,730	(7,570,557)
Expenditures:				
Certificated salaries	117,976,617	114,419,629	110,694,305	3,725,324
Classified salaries	39,707,757	38,950,426	37,823,881	1,126,545
Employee benefits	71,645,006	64,441,281	60,199,786	4,241,495
Books and supplies	10,842,962	26,148,173	9,912,409	16,235,764
Contract services and operating expenditures	35,857,886	49,303,113	43,130,953	6,172,160
Capital outlay	881,858	4,116,320	1,248,554	2,867,766
Other outgo	60,000	60,000	33,137	26,863
Debt service:				
Principal retirement	2,060,000	2,882,800	2,374,214	508,586
Interest	489,278	671,080	241,250	429,830
Total expenditures	279,521,364	300,992,822	265,658,489	35,334,333
Deficiency of revenues under expenditures	(19,566,651)	(35,863,535)	(8,099,759)	27,763,776
Other financing sources (uses):				
Operating transfers in	1,000,000	4,500,000	1,731,887	(2,768,113)
Operating transfers out	(812,680)	(797,647)	(926,928)	(129,281)
Total other financing sources (uses)	187,320	3,702,353	804,959	(2,897,394)
Net change in fund balance	(19,379,331)	(32,161,182)	(7,294,800)	24,866,382
Fund balance, July 1, 2009	48,346,747	48,346,747	48,346,747	
Fund balance, June 30, 2010	$ 28,967,416	$ 16,185,565	$ 41,051,947	$ 24,866,382

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

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS (OPEB) FUNDING PROGRESS

For the Year Ended June 30, 2010

Schedule of Funding Progress

Fiscal Year Ended	Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Accrued Liability (UAAL)	Funded Ratio	Covered Payroll*	UAAL as a Percentage of Covered Payroll*
6/30/2008	June 30, 2007	$0	$496 million	$496 million	0%	$0	0%
6/30/2009	June 30, 2007	$0	$496 million	$496 million	0%	$0	0%
6/30/2010	June 30, 2007	$9.2 million	$523 million	$513.8 million	0%	$0	0%

* No current employees are covered by the Plan.

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APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (the "Disclosure Certificate") is executed and delivered by the West Contra Costa Unified School District (the "District") in connection with the issuance and delivery of $85,565,000 West Contra Costa Unified School District (Contra Costa County, California) 2011 General Obligation Refunding Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution of the District, adopted on July 27, 2011 (the "Resolution").

SECTION 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

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

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

"Disclosure Representative" shall mean the Superintendent or Associate Superintendent of Business Services or either of their designees, or such other officer or employee as the District shall designate in writing from time to time.

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

"Dissemination Agent" shall mean KNN Public Finance, a Division of Zions First National Bank, or any successor Dissemination Agent designated in writing by the District (which may be the District) and which has filed with the District a written acceptance of such designation.

"Holders" shall mean registered owners of the Bonds.

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

"Participating Underwriter" shall mean Piper Jaffray & Co. as the original underwriter of the Bonds required to comply with the Rule in connection with offering the Bonds.

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

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

"State" shall mean the State of California.

SECTION 3. Provision of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent upon written direction to, not later than nine months following the end of the District's fiscal year (presently ending on June 30), commencing with the report for the June 30, 2010-11 fiscal year, provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report shall be provided to the MSRB in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the District may be submitted separately from and later than the balance of the Annual Report if they are not available by the date required above for the filing of the Annual Report.

(b) If the Dissemination Agent is a person or entity other than the District then, not later than fifteen (15) days prior to the date specified in subsection (a) for providing the Annual Report to the MSRB, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) days prior to such date the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District is in compliance with subsection (a).

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall file a notice with the MSRB, in the form required by the MSRB.

(d) The Dissemination Agent shall:

(i) confirm the electronic filing requirements of the MSRB for the Annual Reports; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided pursuant to this Disclosure Certificate, stating the date it was provided the MSRB. The Dissemination Agent's duties under this clause (ii) shall exist only if the District provides the Annual Report to the Dissemination Agent for filing.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

SECTION 4. Content of Annual Reports. The District's Annual Report shall contain or include by reference the following:

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

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

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

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

(c) outstanding District indebtedness;

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

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

SECTION 5. Reporting of Significant Events.

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

1. principal and interest payment delinquencies;

2. unscheduled draws on debt service reserves reflecting financial difficulties;

3. unscheduled draws on credit enhancements reflecting financial difficulties;

4. substitution of credit or liquidity providers, or their failure to perform;

5. issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);

6. tender offers;

7. defeasances;

8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

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

1. unless described in paragraph 5(a)(5), adverse tax opinions or other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

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

3. appointment of a successor or additional trustee or the change of the name of a trustee;

4. nonpayment related defaults;

5. modifications to the rights of Owners of the Bonds;

6. notices of redemption; and

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

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

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) business days after the event.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District and that the Dissemination Agent shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(g) Any of the filings required to be made under this Section 5 shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

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

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

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

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

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

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

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

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

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the District shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

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

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

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

Date: August __ , 2011

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

By: [FORM ONLY]
Associate Superintendent of
Business Services

Dissemination Agent:

KNN PUBLIC FINANCE

By: [FORM ONLY]
Authorized Officer

EXHIBIT A

NOTICE TO REPOSITORY OF FAILURE TO FILE ANNUAL REPORT

Name of District: WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

Name of Bond Issue: 2011 General Obligation Refunding Bonds

Date of Issuance: August __, 2011

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

Dated: _________________

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT

By: ___________[FORM ONLY]_____________________
Authorized Officer

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APPENDIX E

BOOK-ENTRY ONLY SYSTEM

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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

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

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

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

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

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

In the event that the book-entry system is discontinued, the following provisions would also apply: (a) Bonds may be exchanged for a like aggregate principal amount of Bonds or other authorized denominations of the same maturity and interest rate, upon surrender thereof to the Paying Agent; (b) the transfer of any Bond may be registered on the books maintained by the Paying Agent under the Resolution for such purpose only upon the surrender thereof to the Paying Agent together with a duly executed written instrument of transfer in a form approved by the Paying Agent; (c) for every exchange or transfer of Bonds, the Paying Agent shall require the payment by any owner requesting such transfer or exchange of any tax or other governmental charge required to be paid with respect to such exchange or registration of transfer; (d) all interest payments on the Bonds will be made by wire or check mailed by the Paying Agent to the owners thereof to such owner's address as it appears on the registration books maintained by the Paying Agent on the 15th day of the month preceding such Interest Payment Date; and (e) all payments of principal of and any premium on the Bonds will be paid upon surrender thereof to the Paying Agent.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

The District cannot and does not give any assurances that DTC will distribute to Participants or that Participants or others will distribute to the Beneficial Owners payments of principal of and interest and premium, if any, on the Bonds paid or any redemption or other notices or that they will do so on a timely basis or will serve and act in the manner described in this Official Statement. The District is not responsible or liable for the failure of DTC or any Participant or Indirect Participant to make any payments or give any notice to a Beneficial Owner with respect to the Bonds or any error or delay relating thereto.

Neither the District nor the Paying Agent will have any responsibility or obligation to Participants, to Indirect Participants or to any Beneficial Owner with respect to (i) the accuracy of any records maintained by DTC, any Participant, or any Indirect Participant; (ii) the payment by DTC or any Participant or Indirect Participant of any amount with respect to the principal of or premium, if any, or interest on the Bonds; (iii) any notice that is permitted or required to be given to Holders pursuant to the District Resolution; (iv) the selection by DTC, any Participant or any Indirect Participant of any person to receive payment in the event of a partial redemption of the Bonds; (v) any consent given or other action taken by DTC as Bondholder; or (vi) any other procedures or obligations of DTC, Participants or Indirect Participants under the book-entry system.

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APPENDIX F

INFORMATION CONCERNING CONTRA COSTA COUNTY

ECONOMIC PROFILE OF THE COUNTY

The following information concerning Contra Costa County (the "County") is included only for the purpose of supplying general information regarding the community. The Bonds are not a debt of the County.

The information in this section regarding economic activity within the general area in which the District is located is provided as background information only, to describe the general economic health of the region. However, the District encompasses a relatively small area within the County, and the property tax required to be levied by the County to repay the Bonds will be levied only on property located in the District.

Introduction

The District is located in western Contra Costa County. Cities within the District include El Cerrito, Hercules, Pinole, Richmond and San Pablo; also, within the District are certain unincorporated areas, including the communities of El Sobrante and Kensington. The County is situated northeast of San Francisco, bounded by San Francisco and San Pablo bays to the west and north, the Sacramento River delta to the north, San Joaquin County to the east, and by Alameda County on the south. Ranges of hills effectively divide the County into three distinct regions. The District is located in the County's western portion, which with its access to water, contains much of the County's heavy industry. The central section of the County is developing from a suburban area into a commercial and financial headquarters center. The eastern part of the County is developing from a rural, agricultural area to a suburban region. The County has extensive and varied transportation facilities – ports accessible to ocean-going vessels, railroads, freeways, and rapid transit lines connecting the area with Alameda County and San Francisco.

Population

The following table summarizes the population statistics for the County and cities within the District.

POPULATION OF CONTRA COSTA COUNTY AND CITIES WITHIN THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT [(1)]

Year	Contra Costa County	City of El Cerrito	City of Hercules	City of Pinole	City of Richmond	City of San Pablo
2006	1,025,509	23,178	23,535	19,222	102,188	30,830
2007	1,036,322	23,081	23,859	19,149	103,327	30,816
2008	1,048,242	23,306	24,309	19,260	103,899	31,172
2009	1,060,435	23,440	24,480	19,383	104,513	31,808
2010	1,047,948	23,538	24,051	18,383	103,661	29,143
2011	1,056,064	23,648	24,153	18,460	104,220	28,931

(1) Excludes population statistics of unincorporated territory within the District.
Source: *California Department of Finance, estimates as of January 2011*.

Employment

The following table summarizes historical employment and unemployment in the County. Such information is not seasonally adjusted and is based on the March 2009 Benchmark.

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT
ANNUAL AVERAGES
CONTRA COSTA COUNTY

	2006	2007	2008	2009	2010	2011
Civilian Labor Force[(1)]						
Employment	496,700	501,200	494,000	471,700	459,000	511,700
Unemployment	22,300	24,900	32,400	54,300	52,600	459,000
Total[(2)]	519,000	526,100	526,400	526,000	511,600	52,600
Unemployment Rate[(3)]	4.3%	4.7%	6.2%	10.3%	10.3%	10.3%

(1) Based on place of residence.
(2) Totals may not add due to rounding.
(3) The unemployment rate is calculated using unrounded data.
Source: *California Employment Development Department, Labor Market Information Division.*

The following table summarizes the historical number of workers by industry in Contra Costa County.

OAKLAND METROPOLITAN DIVISION
Estimated Number of Wage and Salary Workers by Industry[(1)]

	2005	2006	2007	2008	2009
Farm	800	700	700	700	800
Manufacturing	19,800	20,200	20,600	20,700	19,000
Wholesale Trade	8,800	9,100	9,100	8,700	7,700
Retail Trade	44,000	4,400	44,400	43,600	41,300
Transportation & Public Utilities	7,600	8,400	8,800	8,900	8,400
Information	13,500	13,400	13,000	11,800	10,400
Financial Activities	33,900	32,100	29,100	26,600	25,600
Professional and Business Services	46,700	50,600	49,400	49,300	45,400
Education and Health	40,800	42,700	44,600	45,600	46,200
Leisure and Hospitality	31,500	32,400	33,200	32,800	31,500
Other Services	12,300	12,200	12,500	12,400	11,700
Government	50,200	48,900	52,200	52,600	51,800
Total All Industries[(2)]	309,900	275,100	308,500	313,700	299,800

(1) Based on the March 2009 benchmark; 2010 and 2011 unavailable.
Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households, and persons involved in labor/management trade disputes. Employment reported by place of work. Items may not add to totals due to independent rounding. Not seasonally adjusted.
(2) Including those not listed above.
Source: *Labor Market Information Division of the California Employment Development Department.*

The following table summarizes the unemployment rates in Contra Costa County and the cities within the District as of March 2009.

CIVILIAN LABOR FORCE UNEMPLOYMENT RATES
CONTRA COSTA COUNTY
(As of May 2011)[(1)]

Contra Costa County	10.3%
City of El Cerrito	9.2
City of Hercules	7.4
City of Pinole	7.2
City of Richmond	16.5
City of San Pablo	20.3
State of California	11.4
United States	8.7

(1) Preliminary, based on the May 2011 benchmark and place of residence; calculated based on unrounded data; not seasonally adjusted.
Source: *California Employment Development Department, Labor Market Information Division.*

Largest Employers

The following table summarizes the 10 largest employers in the East Bay, which includes Alameda and Contra Costa Counties.

LARGEST EMPLOYERS
EAST BAY: ALAMEDA AND CONTRA COSTA COUNTIES

Employer	Products/Services	Number of East Bay Employees
AT&T Corp	Information	14,407
University of California	Educational Services	13,624
Alameda County	Public Administration	9,611
Contra Costa County	Public Administration	8,707
Safeway Inc.	Retail Trade	7,378
Lawrence Livermore National Laboratory	Professional, Scientific and TechnicalServices	7,000
Wells Fargo Home Mortgage Inc.	Finance and Insurance	6,889
Kaiser Foundation Hospitals	Health Care and Social Assistance	6,492
Oakland Unified School District	Educational Services	5,570
Lawrence Berkeley National Laboratory	Professional, Scientific and Technical Services	5,000

Source: *East Bay Employers, as published 2010 in the Harris InfoSource of Lists*

Commercial Activity

The following table summarizes historical taxable transactions in Contra Costa County.

TAXABLE TRANSACTIONS
CONTRA COSTA COUNTY
(Dollars in Thousands)

Year	Sales Tax Permits	Taxable Transactions
2003	23,253	$12,223,295
2004	23,571	12,990,539
2005	23,692	13,480,075
2006	23,249	13,867,661
2007	23,181	14,086,295
2008	23,149	13,307,681

Source: California State Board of Equalization.

The following table summarizes historical taxable transactions in the District.

TAXABLE TRANSACTIONS FOR CITIES IN THE
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT [1]
(Dollars in Thousands)

City	2004	2005	2006	2007	2008
El Cerrito	$296,705	$297,476	$339,605	$338,603	$308,414
Hercules	108,473	113,121	127,680	124,879	128,453
Pinole	292,036	301,110	310,239	303,589	286,289
Richmond	1,109,659	1,122,912	1,129,643	1,228,740	1,160,972
San Pablo	153,670	152,320	146,901	151,789	155,280

(1) Excludes taxable transactions occurring in unincorporated territory within the District.
Source: California State Board of Equalization.

Median Household Income

Shown below is a history of median household income in the County:

MEDIAN HOUSEHOLD INCOME
CONTRA COSTA COUNTY
(For years 2004 Through 2009)

Year	Contra Costa County
2006	$ 74,241
2007	75,483
2008	78,469
2009	75,084

Source: *U.S. Census Bureau.*

Building Activity

Shown below is a history of residential building activity in the County:

RESIDENTIAL BUILDING PERMIT VALUATION
CONTRA COSTA COUNTY
(Dollars in Thousands)
2006-2010

Year	Residential Permits	Residential Valuation
2006	4,488	$1,451,818
2007	3,607	1,216,666
2008	1,894	661,937
2009	1,201	504,632
2010	1,699	553,058

Source: *Construction Industry Research Board.*

Shown below is the 2008 building activity for cities in the District:

2008 BUILDING PERMIT VALUATION FOR CITIES IN THE
WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT (1)

City	Residential Units	Residential Valuation
El Cerrito	1	$290,141
Hercules	4	745,743
Pinole	0	0
Richmond	182	24,059,620
San Pablo	28	4,687,551

(1) Excludes building permit valuation for unincorporated territory within the District.
Source: U.S. Census Bureau

The following table summarizes the larger employers in the Contra Costa County.

MAJOR EMPLOYERS
CONTRA COSTA COUNTY
2011

Employer	Location	Industry
Bayer Health Care Pharmaceuticals	Richmond	Laboratories-Pharmaceutical (Mfrs)
Bio-Rad Laboratories Inc.	Hercules	Laboratory Analytical Instruments (Mfrs)
Chevron Corp	San Ramon	Petroleum Products (Mfrs)
Chevron Global Downstream LLC	San Ramon	Petroleum Products (Whls)
Concord Naval Weapons Station	Concord	Federal Government-National Security
Contra-Costa Regional Med Center	Martinez	Hospitals
Department Of Veterans Affairs	Martinez	Physicians & Surgeons
Doctor's Medical Center	San Pablo	Hospitals
John Muir Medical Center	Walnut Creek	Hospitals
John Muir Medical Center	Concord	Hospitals
John Muir Physical Rehab	Concord	Rehabilitation Services
Kaiser Permanente	Walnut Creek	Hospitals
Kaiser Permanente Medical Center	Martinez	Clinics
La Raza Market	Richmond	Grocers-Retail
Muirlab	Walnut Creek	Laboratories-Medical
PMI Group Inc.	Walnut Creek	Insurance-Bonds
Richmond City Offices	Richmond	Government Offices-City, Village & Twp
San Ramon Regional Medical Center	San Ramon	Hospitals
Shell Oil Products Co.	Martinez	Oil Refiners (Mfrs)
St Mary’s	Moraga	Schools-Universities & Colleges Academic
St Mary’s College Of CA	Moraga	Schools-Universities & Colleges Academic
Sutter Delta Medical Center	Antioch	Hospitals
Tesoro Golden Eagle Refinery	Pacheco	Oil Refiners (Mfrs)
USS-Posco Industries	Pittsburg	Steel Mills (Mfrs)
VA Outpatient Clinic	Martinez	Physicians & Surgeons

Source: *State of California Employment Development Department, extracted from the America’s Labor Market Information System (ALMIS) Employer Database, 2011, 1st Edition.*

Commercial Activity

The following table summarizes historical taxable transactions in Contra Costa County.

TAXABLE TRANSACTIONS
CONTRA COSTA COUNTY
(Dollars in Thousands)

Year	Sales Tax Permits	Taxable Transactions
2006	23,249	$ 13,867,661
2007	23,181	14,086,295
2008	23,149	13,307,681
2009	21,395	11,883,049
2010	21,084	2,722,376

Source: *California State Board of Equalization.*

Shown below is the 2010 building activity for cities in the District:

2010 BUILDING PERMIT VALUATION FOR CITIES IN THE WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT[(1)]

City	Residential Units	Residential Valuation
El Cerrito	2	$7,164
Hercules	96	16,061
Pinole	0	0
Richmond	119	40,955
San Pablo	13	5,291

(1) Excludes building permit valuation for unincorporated territory within the District.
Source: *Construction Industry Research Board.*

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APPENDIX G

COUNTRA COSTA COUNTY

TREASURY INVESTMENT POLICY AND DESCRIPTION OF INVESTMENT POOL

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CONTRA COSTA COUNTY

INVESTMENT POLICY

JUNE 2011

STANDARDS AND OBJECTIVES

§53600.3.[1] Standard for Governing Bodies or Persons Authorized to Make Investment Decisions for Local Agencies

Governing bodies of local agencies or persons authorized to make investment decisions on behalf of those local agencies investing public funds pursuant to this chapter are trustees and therefore fiduciaries subject to the ***prudent investor standard***. When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, a trustee shall act with care, skill, prudence and diligence under the circumstances then prevailing, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the agency. Within the limitations of this section and considering individual investments as part to an overall strategy, investments may be acquired as authorized by law.

§53600.5. Trustee's Objectives Regarding Funds

When investing, reinvesting, purchasing, acquiring, exchanging, selling or managing public funds, the primary objective of a trustee shall be to ***safeguard the principal*** of the funds under its control. The secondary objective shall be to ***meet the liquidity*** needs of the depositor. The third objective shall be to ***achieve a return*** on the funds under its controls.

[1] Number refers to Government Code number and section.

INSTRUMENTS AUTHORIZED FOR INVESTMENT

§53601. Instruments Authorized for Investment

A. ***Bonds issued by the local agencies***, including bonds payable solely out of the revenues from a revenue-producing property, owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.

B. ***United States Treasury notes, bonds, bills or certificates of indebtedness***, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

C. ***Registered state warrants or treasury notes or bonds of this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency or authority of the state.

D. ***Bonds, notes, warrants or other evidences of indebtedness of any local agency within this state***, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled or operated by the local agency, or by a department, board, agency or authority of the local agency.

E. ***Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments***, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

F. ***Bankers acceptances otherwise known as bills of exchange or time drafts*** drawn on and accepted by a commercial bank. Purchases of banker's acceptances may not exceed 180 days' maturity or 40 percent of the agency's money that may be invested pursuant to this section. However, no more than 30 percent of the agency's money may be invested in the banker's acceptances of any one commercial bank pursuant to this section. This subdivision does not preclude a municipal utility district from investing any money in its treasury in any manner authorized by the Municipal Utility District Act (Division 6, commencing with Section 11501, of the Public Utilities Code).

G. ***Commercial paper*** of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization (NRSRO). The entity that issues the commercial paper shall meet all of the following conditions in either paragraph (1) or paragraph (2):

(1) The entity meets the following criteria:
  (A) Is organized and operating in the United States as a general corporation.
  (B) Has total assets in excess of five hundred million dollars ($500,000,000).

(C) Has debt other than commercial paper, if any, that is rated “A” or higher by a nationally recognized statistical-rating organization (NRSRO).

(2) The entity meets the following criteria:
(A) Is organized within the United States as a special purpose corporation, trust, or limited liability company.
(B) Has program wide credit enhancements including, but not limited to, over collateralization, letters of credit, or surety bond.
(C) Has commercial paper that is rated “A-1” or higher, or the equivalent, by a nationally recognized statistical-rating organization (NRSRO).

Eligible commercial paper shall have a maximum maturity of 270 days or less. Local agencies, other than counties or a city and county, may invest no more than 25 percent of their money in eligible commercial paper. Counties or a city and county may invest in commercial paper pursuant to the concentration limits in subdivision (a) of Section 53635. Following are the concentration limits (Government Code Section 53635, subdivision (a)):

1. Not more than 40 percent of the local agency’s money may be invested in eligible commercial paper.
2. Not more than 10 percent of the total assets of the investments held by a local agency may be invested in any one issuer’s commercial paper.

H. ***Negotiable certificates of deposit*** issued by a nationally- or state-chartered bank or a savings association or federal association (as defined by Section 5102 of the Financial Code), a state or federal credit union, or by a state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the agency’s money that may be invested pursuant to this section. For purposes of this section, negotiable certificates of deposits do not come within Article 2 (commencing with Section 53630), except that the amount so invested shall be subject to the limitations of Section 53638. The legislative body of a local agency and the treasurer or other official of the local agency having legal custody of the money are prohibited from investing local agency funds, or funds in the custody of the local agency, in negotiable certificates of deposit issued by a state or federal credit union if a member of the legislative body of the local agency, or any person with investment decision making authority in the administrative office manager’s office, budget office, auditor-controller’s office, or treasurer’s office of the local agency also serves on the board of directors, or any committee appointed by the board of directors, or the credit committee or the supervisory committee of the state or federal credit union issuing the negotiable certificates of deposit.

I. Investments in ***repurchase agreements*** or ***reverse repurchase agreements*** of any securities authorized by this section, as long as the agreements are subject to this subdivision, including the delivery requirements specified in this section.

1. **“Repurchase agreement”** means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the

securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery.

a. **"Securities,"** for purpose of repurchase under this subdivision, means securities of the same issuer, description, issue date and maturity.

b. Investments in repurchase agreements may be made on any investment authorized in this section when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

2. **"Reverse repurchase agreement"** means a sale of securities by the local agency pursuant to an agreement by which the local agency will repurchase the securities on or before a specified date and includes other comparable agreements.

   Reverse repurchase agreements may be utilized only when all of the following conditions are met:

   The security to be sold on reverse repurchase agreement has been owned and fully paid for by the local agency for a minimum of 30 days prior to sale; the total of all reverse repurchase agreements on investments owned by the local agency does not exceed 20 percent of the base value of the portfolio; the agreement does not exceed a term of 92 days, unless the agreement includes a written codicil guaranteeing a minimum earning or spread for the entire period between the sale of a security using a reverse repurchase agreement and the final maturity date of the same security.

   Investments in reverse repurchase agreements shall only be made with primary dealers of the Federal Reserve Bank of New York, or with a nationally- or state-chartered bank that has or has had a significant banking relationship with a local agency…"Significant banking relationship" means any of the following activities of a bank:

   a. Involvement in the creation, sale, purchase, or retirement of a local agency's bonds, notes, or other evidence of indebtedness.

b. Financing of a local agency's activities.

c. Acceptance of a local agency's securities or funds as deposits.

J. ***Medium-term notes*** of a maximum of five-years maturity issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subdivision shall be rated in a rating category of "A" or its equivalent or better by a nationally-recognized rating service. Purchases of medium-term notes may not exceed 30 percent of the agency's money that may be invested pursuant to this section.

K. 1. ***Shares of beneficial interest*** issued by diversified management companies that invest in the securities and obligations as authorized by subdivisions (a) to (j), inclusive, or subdivision (m) or (n) and that comply with the investment restrictions of this article and Article 2.

2. ***Shares of beneficial interest*** issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (I5 U.S.C. Sec. 80a-1 et seq.).

3. If investment is in shares issued pursuant to paragraph (2), the company shall have met the following criteria:

a. Attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

b. Retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000).

4. The purchase price of shares of beneficial interest purchased pursuant to this subdivision shall not include any commission that the companies may charge and shall not exceed 20 percent of the agency's money that may be invested pursuant to this section. However, no more than 10 percent of the agency's funds may be invested in shares of beneficial interest of any one mutual fund pursuant to paragraph (1).

L. ***Moneys held by a trustee or fiscal agent*** and pledged to the payment of security of bonds or other indebtedness, or obligations under a lease, installment sale, or other agreement of a local agency, or certificates of participation in those bonds, indebtedness, or lease installment sale, or other agreements, may be invested in accordance with the statutory provisions governing the issuance of those bonds, indebtedness, or lease installment sale, or other agreement, or to the extent not inconsistent therewith or if there are not specific statutory provision, in accordance with the ordinance, resolution, indenture, or agreement of the local agency providing for the issuance.

M. ***Notes, bonds, or other obligations that are at all times secured by a valid first-priority security interest*** in securities of the types listed by Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank that is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted.

N. ***Any mortgage pass-through security, collaterialized mortgage obligation, mortgage-backed or other pay-through bond, equipment lease-backed certificate, consumer receivable pass-through certificate, or consumer receivable-backed bond*** of a maximum of five years' maturity. Securities eligible for investment under this subdivision shall be issued by an issuer having an "A" or higher rating for the issuer's debt as provided by a nationally recognized rating service and rated in a rating category of **"AA"** or its equivalent or better by a nationally recognized rating service. Purchase of securities authorized by this subdivision may not exceed 20 percent of the agency's surplus money that may be invested pursuant to this section.

O. Shares of beneficial interest issued by a joint powers authority organized pursuant to Section 6509.7 that invests in the securities and obligations authorized in subdivisions (a) to (n) , inclusive. Each share shall represent an equal proportional interest in the underlying pool of securities owned by the joint powers authority. To be eligible under this section, the joint powers authority issuing shares shall have retained an investment adviser that meets all of the following criteria:

(1) The adviser is registered or exempt from registration with the Securities and Exchange Commission.
(2) The adviser has not less than five years of experience investing in the securities and obligations authorized in subdivisions (a) to (n) inclusive.
(3) The adviser has assets under management in excess of five hundred million dollars ($500,000,000).

P. Local Agency Investments – LAIF - (*All references in this section to the Treasurer and the Controller pertain to the State Treasurer and the State Controller*)*.*

§16305.9. (a) All money in the Local Agency Investment Fund shall be held in trust in the custody of the Treasurer.

(b) All money in the Local Agency Investment Fund is nonstate money. That money shall be held in a trust account or accounts. The Controller shall be responsible for maintaining those accounts to record the Treasurer's accountability, and shall maintain a separate account for each trust deposit in the Local Agency Investment Fund.

(c) That money shall be subject to audit by the Department of Finance and to cash count as provided for in Sections 13297,13298, and 13299. It may be withdrawn only upon the order of the depositing entity or its disbursing officers. The system that the Director of Finance has established for the handling, receiving, holding, and disbursing of state agency money shall also be used for the money in the Local Agency Investment Fund.

(d) All money in the Local Agency Investment Fund shall be deposited, invested and reinvested in the same manner and to the same extent as if it were state money in the State Treasury.

§16429.1. Existence and Appropriation of Fund; Investment and Distribution of Deposits

(a) There is in trust in the custody of the Treasurer the Local Agency Investment Fund, which fund is hereby created. The Controller shall maintain a separate account for each governmental unit having deposits in this fund.

(b) Notwithstanding any other provisions of law, a local governmental official, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(c) Notwithstanding any other provisions of law, an officer of any nonprofit corporation whose membership is confined to public agencies or public officials, or an officer of a qualified quasi-governmental agency, with the consent of the governing body of that agency, having money in its treasury not required for immediate needs, may remit the money to the Treasurer for deposit in the Local Agency Investment Fund for the purpose of investment.

(d) Notwithstanding any other provision of law or of this section, a local agency, with the approval of its governing body, may deposit in the Local Agency Investment Fund proceeds of the issuance of bonds, notes, certificates of participation, or other evidences of indebtedness of the agency pending expenditure of the proceeds for the authorized purpose of their issuance. In connection with these deposits of proceeds, the Local Agency Investment Fund is authorized to receive and disburse moneys, and to provide information, directly with or to an authorized officer of a trustee or fiscal agency engaged by the local agency, the Local Agency Investment Fund is authorized to hold investments in the name and for the account of that trustee or fiscal agent, and the Controller shall maintain a separate account for each deposit of proceeds.

(e) The local governmental unit, the nonprofit corporation, or the quasi-governmental agency has the exclusive determination of the length of time its money will be on deposit with the Treasurer.

(f) The trustee or fiscal agent of the local governmental unit has the exclusive determination of the length of time proceeds from the issuance of bonds will be on deposit with the Treasurer.

(g) The Local Investment Advisory Board shall determine those quasi-governmental agencies which qualify to participate in the Local Agency Investment Fund.

(h) The Treasurer may refuse to accept deposits into the fund if, in the judgment of the Treasurer, the deposit would adversely affect the state's portfolio.

(i) The Treasurer may invest the money of the fund in securities prescribed in Section 16430. The Treasurer may elect to have the money of the fund invested through the Surplus Money Investment Fund as provided in Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2.

(j) Money in the fund shall be invested to achieve the objective of the fund, that is to realize the maximum return consistent with safe and prudent treasury management.

(k) All instruments of title of all investments of the fund shall remain in the Treasurer's vault or be held in safekeeping under control of the Treasurer in any federal reserve bank, or any branch thereof, or the Federal Home Loan Bank of San Francisco, with any trust company, or the trust department of any state or national bank.

(l) Immediately at the conclusion of each calendar quarter, all interest earned and other increment derived from investments shall be distributed by the Controller to the contributing governmental units or trustees or fiscal agents, nonprofit corporations, and quasi-governmental agencies in amounts directly proportionate to the respective amounts deposited in the Local Agency Investment fund and the length of time the amounts remained therein. An amount equal to the reasonable costs incurred in carrying out the provisions of this section, not to exceed a maximum of one-half of one percent of the earnings of this fund, shall be deducted from the earnings prior to distribution. The amount of this deduction shall be credited as reimbursements to the state agencies having incurred costs in carrying out the provisions of this section.

(m) The Treasurer shall prepare for distribution a monthly report of investments made during the preceding month.

FURTHER RESTRICTIONS/LIMITATIONS BY GOVERNMENT CODE AND COUNTY TREASURER

Further Restrictions Set by Treasurer

A. Reverse repurchase agreements will be used strictly for the purpose of supplementing income with a limit of 10 percent of the total portfolio without prior approval of the Treasurer.

B. Swaps and Trades will each be approved on a per-trade basis by Treasurer or Assistant Treasurer.

C. SBA loans require prior approval of the Treasurer in every transaction.

D. Repurchase Agreements will generally be limited to Wells Fargo Bank, Bank of America or other institutions with whom the County treasury has executed tri-party agreements. Collateral will be held by a third party to the transaction that may include the trust department of particular banks. Collateral will be only securities that comply with Government Code 53601.

E. Securities purchased through brokers will be held in safekeeping at The Bank of New York Trust Company, N.A. or as designated by the specific contract(s) for government securities and tri-party repurchase agreements.

F. Bank C.D.s or non-negotiable C.D.s will be collateralized at 110 percent by government securities or 150 percent by current mortgages. There will be no waiver of the first $100,000 collateral except by special arrangement with the Treasurer.

G. All investments purchased by the Treasurer's Office shall be of investment grade. The minimum credit rating of purchased investments shall be as defined by Government Code 53600 et. seq.

H. All legal securities issued by a tobacco-related company are prohibited. A tobacco-related company is defined as an entity that makes smoking products from tobacco used in cigarettes, cigars or snuff or for smoking in pipes or a company that has total revenues of 15 percent or more from the sale of such products. The tobacco-related issuers restricted from any investment are British American Tobacco, Gallaher Group PLC, Imasco Ltd., Lowes Companies, ALTRIA Group, Inc., RJ Reynolds Tobacco Holdings, Inc., Brooke Groupe LTD., UST, Inc. and Universal Corp. However, tobacco-related companies will not be limited to the foregoing list. Additional companies will be prohibited as long as said entities fall within the definition of tobacco-related companies.

I. Financial futures or financial option contracts will each be approved on a per trade basis by the County Treasurer.

J. No more than 10 percent of the local agency's money may be invested in the outstanding commercial paper of any single issuer.

K. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased by the local agency.

§53601.6. Prohibited Investments by Government Code

A. A local agency shall not invest any funds pursuant to this Article or pursuant to Article 2 (commencing with Section 53630) in ***inverse floaters, range notes or interest-only strips*** that are derived from a pool of mortgages.

B. A local agency shall not invest any funds pursuant to this article or pursuant to Article 2 (commencing with Section 53630)in ***any security that could result in zero interest accrual if held to maturity***. However, a local agency may hold prohibited instruments until their maturity dates. The limitation in this subdivision shall not apply to local agency investments in shares of beneficial interest issued by diversified management companies registered under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1,et seq.) that are authorized for investment pursuant to subdivision (k) of Section 53601.

§53601. Instruments Authorized for Investments: Maturity

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, **no investment shall be made in any security**, other than a security underlying a repurchase or reverse repurchase agreement authorized by this section, that at the time of the investment **has a term remaining to maturity in excess of five years**, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

Quality of Investment Instruments, Issuers and Sources

Regular financial review and analysis of issuers and sources of securities such as banks and brokerage firms shall be performed. These will be based on credit-rating services' evaluations, financial documents such as audits, Form 10-Q filings to the Securities and Exchange Commission and other reliable financial information.

SAFEKEEPING AND CUSTODY

§53601. Instruments Authorized for Investment

A local agency purchasing or obtaining any securities prescribed in this section, in a negotiable, bearer, registered or non-registered format, shall require delivery of the securities to the local agency, including those purchased for the agency by financial advisors, consultants or managers using the agency's funds, by book entry, physical delivery or by third-party custodial agreement. The transfer of securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. For purposes of this section, "counterparty" means the other party to the transaction. A counterparty bank's trust department or separate safekeeping department may be used for the physical delivery of the security if the security is held in the name of the local agency. Where this section specifies a percentage limitation for a particular category of investment, that percentage is applicable only at the date of purchase. Where this section does not specify a limitation on the term of remaining maturity at the time of the investment, no investment shall be made in any security other than a security underlying a repurchase or reverse repurchase agreement authorized by this section.

In compliance with this section, the securities of Contra Costa County and its agencies shall be in safekeeping at The Bank of New York Trust Company, N. A., a counterparty bank's trust department or as defined in the debt indenture and contract.

AUTHORIZED BROKERS AND DEALERS

Securities for Contra Costa County and its agencies shall be purchased from the following:

- Primary dealers of the Federal Reserve Bank of New York and their subcontracts.
- Banks and financial institutions that sell and buy instruments authorized for investments per Government Code 53600 et. seq. and their subcontracts.
- Issuers of securities authorized by Government Code 53601 et. seq.

Securities shall not be purchased from brokers, brokerages, dealers or securities firms who within any 48-month period following January 1, 1996, made a political contribution to the local treasurer, any member of the governing board of the local agency or any candidate for those offices in an amount exceeding the limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board.

LIMITS ON THE RECEIPT OF HONORARIA, GIFTS AND GRATUITIES

Gift Prohibitions

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting a gift or gifts aggregating more than **as stated in California Government Code §89502(a) and §89503(f)** in a calendar year from a single source.

Beginning on January 1, 1993, the State Fair Political Practices Commission shall adjust the gift limitations in this section on January 1st of each odd-numbered year to reflect changes in the Consumer Price Index rounded to the nearest ten dollars ($10). §89503(f)

Honorarium Prohibition

All state and local officials who are listed in Government Code Section 87200, and candidates for those elective offices (except judges), are prohibited from accepting any honorarium for any speech given, article published or attendance at any public or private conference, convention, meeting, social event, meal or like gathering.

Exceptions

- The gift limit and honorarium prohibitions do not apply to a part-time member of the governing board of a public institution of higher education unless the member is also an elected official.

- For state board and commission members, the gift limit and honorarium prohibition are applicable only if the member would be required to report the receipt of income or gifts from the source on his or her statement of economic interests. The $10 gift limit is applicable only to lobbyists and lobbying firms registered to lobby the board or commission member's agency.

Disqualification

Public officials are, under certain circumstances, required to disqualify themselves from making, participating in, or attempting to influence governmental decisions that will affect any of their financial interests, not just those that they are required to disclose on a statement of economic interests.

Enforcement

The Fair Political Practices Commission may impose penalties for statements of economic interests that are filed late. The fine is $10 per day, beginning the day after the filing deadline, up to a maximum of $100. Late-filing penalties can be reduced or waived under certain circumstances.

In addition, the Fair Political practices Commission may initiate investigations with respect to any suspected violation of the Political Reform Act. Other law enforcement agencies (the Attorney General or District Attorney) may initiate investigations under certain circumstances. If violations are found, the Commission may initiate administrative enforcement proceedings that could result in the imposition of monetary penalties of up to **$5,000** per violation. In lieu of administrative prosecution, a civil action may be brought for negligent or intentional violations by the appropriate civil prosecutor (the Commission, Attorney General or District Attorney) where the measure of damages for most violations is the amount of value not properly reported. Persons who violate the conflict-of-interest disclosure provisions of the Political Reform Act can also be subject to discipline by their agency, including dismissal.

Finally, a knowing or willful violation of any provision of the Political Reform Act is a misdemeanor. Persons convicted of a misdemeanor may be disqualified for four years from the date of the conviction from serving as a lobbyist or running for elective office in addition to other penalties that may be imposed. The Act also provides for numerous civil penalties, including monetary penalties and damages, and injunctive relief from the courts.

FURTHER AMENDMENTS TO THE CONFLICT OF INTEREST CODES
(Per a Contra Costa County Board of Supervisors' Order dated February 6, 1996)

Amend all local Conflict of Interest Codes as follows:

Pursuant to Government Code Sections 87302 and 87306 et. seq., this Board hereby amends every local Conflict of Interest Code previously approved by the Board of Supervisors to add the following:

"All other provisions of this Code notwithstanding, the following provisions hereafter apply:

1. No designated employee shall accept **any** honorarium.

   Subdivisions (b), (c) and (e) of Government Code Section 89502 shall apply to the prohibitions in this Section. This Section shall not limit or prohibit payments, advances or reimbursements for travel and related lodging and subsistence authorized by Government Code Section 89506.

2. No designated employee shall accept any gifts with a total value of more than four hundred twenty dollars ($420) in a calendar year from any single source.

   Subdivision (d) of Government Code Section 89504 shall apply to this Section."

This amendment is necessary to assure that all local codes comply with recent amendments to Government Code Section 89502.

INVESTMENT REPORT

The Treasurer may render a quarterly report "…to the Chief Executive Officer, the Internal Auditor and the legislative body of the local agency…" (Government Code 53646).

The County shall submit copies of its second and fourth quarter reports to the California Debt and Investment Advisory Commission within 60 days after the close of the second and fourth quarters of each calendar year (Government Code 53646(g)).

In addition the County Treasurer will provide "…the County Treasury Oversight Committee with an investment report as required by the Board of Supervisors…" (Government Code 27133 (e)).

The County shall submit copies of its investment policy each calendar year to the California Debt and Investment Advisory Commission. All subsequent policy amendment(s) have to be submitted within 60 days.

PLEDGE REPORT

Any securities that are pledged or loaned for any purpose shall be reported in the Quarterly Investment Report. The transaction detail will be provided, including purpose, beginning and termination dates and all parties to the contract. The security descriptions as to type, name, maturity date, coupon rate, CUSIP and other material information will be included.

REVERSE REPURCHASE AGREEMENTS

All reverse repurchase agreements entered into, whether active or inactive by the end of each quarter, shall be reported in the Treasurer's Quarterly Investment Report.

LOCAL AGENCY INVESTMENTS

To be eligible to receive local agency money, a bank, savings association, federal association, or federally-insured industrial loan company shall have received an overall rating of not less than "satisfactory" in its most recent evaluation by the appropriate federal financial supervisorial agency of its record of meeting the credit needs of California's communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. (Government Code 53635)

METHODOLOGY OF CALCULATING AND APPORTIONING TREASURY COSTS

Regular and Routine Investments

- $20 per investment transaction; i.e., $20 at placement and $20 at maturity.
- .00333 of interest income; i.e., $3.33 per $1,000 of interest income.

Charged quarterly by journal entry.

Special Reports and Research

Actual staff time and materials.

Special Bank Transactions

Actual bank fee schedule, staff time and materials.

§53684. Alternative Procedure for Investment of Excess Funds

B. The County Treasurer shall, at *least* quarterly, apportion any interest or other increment derived from the investment of funds pursuant to this section in an amount proportionate to the average daily balance of the amounts deposited by the local agency *and to the total average daily balance of deposits in the investment pool. In apportioning and distributing that interest or increment, the county treasurer may use the cash method, the accrual method, or any other method in accordance with generally accepted accounting principles.* *

Prior to distributing that interest or increment, the County Treasurer may deduct the actual costs incurred by the county in administering this section in proportion to the average daily balance of the amounts deposited by the local agency and *to the total average daily balance of deposits in the investment pool.*

C. The County Treasurer shall disclose to each local agency that invests funds pursuant to this section the method of accounting used, whether cash, accrual, or other, and shall notify each local agency of any proposed changes in the accounting method at least 30 days prior to the date on which the proposed changes take effect**.** *

* In Contra Costa County, the Auditor-Controller performs these functions for fiscal control purposes.

NON-MANDATED DEPOSITS AND WITHDRAWALS IN THE TREASURY

Following are the terms and conditions for deposit of funds for investment purposes by entities that are not legally required to deposit their funds in the County Treasury.

- Resolution by the County Board of Supervisors authorizing the acceptance of outside participants by the County Treasury.
- Resolution by the legislative or governing body of the local agency authorizing the investment of funds pursuant to Government Code 53684.
- Treasury investments will be directed transactions.

Withdrawal of funds in the Treasury shall coincide with investment maturities or authorized sale of securities by the legislative or governing body of the local agency. Except for funds in the California State Local Agency Investment Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

WITHDRAWAL OF FUNDS BY MANDATED TREASURY PARTICIPANTS

The withdrawal of mandated deposits in the Treasury will coincide with investment maturities and/or authorized sale of securities by authorized personnel of the local agency. Except for funds in the California State Local Agency Fund, a five-business-days notification may be required when authorized sale of securities is involved. However, the section on evaluation of request for withdrawal of funds for use outside the County treasury pool by both mandated and non-mandated treasury pool participants shall also apply.

Evaluation of Request For Withdrawal of Funds For Use Outside the County Treasury Pool by Both Mandated and Non-Mandated Treasury Pool Participants

Pursuant to Section 27136(a):

“Notwithstanding any other provisions of law, any local agency, public agency, public entity or public official that has funds on deposit in the County treasury pool and that seeks to withdraw funds for the purpose of investing or depositing those funds outside the County treasury pool shall first submit the request for withdrawal to the County Treasurer before withdrawing funds from the County treasury pool.”

The County Treasurer shall evaluate each proposed withdrawal and may request up to 30 days in order to assess the effect of the proposed withdrawal on the stability and predictability of the investments in the County treasury and that the interests of the other depositors will not be adversely affected.

APPROVED BROKERS AND ISSUERS

ABN AMRO, Incorporated
American Express Credit Corporation
Associates Corporation of North America
Associates First Capital
Bank of America
Bank of New York Mellon
Bank of the West
Bankers Trust Company
Barclays Capital, Incorporated
California Arbitrage Management Program
Chevron Corporation
Chevron Funding
Citibank
Citigroup Funding Inc.
Credit Suisse First Boston
Deere & Company
Exxon Mobil Corporation
General Electric Capital Corporation
General Electric Capital Services
General Electric Company
Goldman, Sachs & Company
Government Perspectives
John Deere Capital Corporation
J.P. Morgan Securities LLC
Mechanics Bank
Prudential Securities, Incorporated
Public Financial Management, Incorporated
Toyota Motors Credit Corporation
UBS Financial Services
Union Bank
US Bancorp
Wells Fargo Bank
Westamerica Bank

Note: The County Treasury will not be limited to the above list. Others will be included as long as all conditions for authorized brokers and dealers set forth in this policy are met. Additionally, deletions and additions are based on the maintenance of required credit quality as rated by Standard and Poor's, Moody's and other recognized rating services and reliable financial sources.

APPROVED PRIMARY GOVERNMENT SECURITIES DEALERS REPORTING TO THE MARKET REPORTS DIVISION OF THE FEDERAL RESERVE BANK OF NEW YORK AS OF FEBRUARY 2, 2011

BNP Paribas Securities Corp.
Barclays Capital Inc.
Cantor Fitzgerald & Co.
Citigroup Global Markets, Inc.
Credit Suisse Securities (USA) LLC
Daiwa Capital Markets America Inc.
Deutsche Bank Securities Inc.
Goldman, Sachs & Co.
HSBC Securities (USA) Inc.
Jefferies & Company, Inc.
J.P. Morgan Securities, Inc.
Merrill Lynch, Pierce, Fenner & Smith Incorporated
MF Global Inc.
Mizuho Securities USA Inc.
Morgan Stanley & Co. Incorporated
Nomura Securities Inc.
RBC Capital Markets, LLC
RBS Securities Inc.
SG Americas Securities, LLC
UBS Securities LLC.

GLOSSARY

Agencies A colloquial term for securities issued by the federal agencies.

Bankers Acceptances A time bill of exchange drawn on and accepted by a commercial bank to finance the exchange of goods. When a bank "accepts" such a bill, the time draft becomes, in effect, a predated, certified check payable to the bearer at some future specified date. Little risk is involved for the investor because the commercial bank assumes primary liability once the draft is accepted.

Basis Point One basis point is equal to 1/100 of one percent. For example, if interest rates increase from 8.25% to 8.50%, the difference is referred to as a 25-basis-point increase.

Blue Sky Laws Common term for state securities law, which vary from state to state. Generally refers to provision related to prohibitions against fraud, dealer and broker regulations and securities registration.

Book Value Refers to value of a held security as carried in the records of an investor. May differ from current market value of the security.

Certificates of Deposit (C/Ds) Certificates issued against funds deposited in a commercial bank for a definite period of time and earning a specified rate of return. They are issued in two forms, negotiable and non-negotiable.

- **Negotiable Certificates of Deposit** May be sold by one holder to another prior to maturity. This is possible because the issuing bank agrees to pay the amount of the deposit plus interest earned to the bearer of the certificate at maturity.

- **Non-Negotiable Certificates of Deposit** These certificates are collateralized and are not money market instruments since they cannot be traded in the secondary market. They are issued on a fixed-maturity basis and often pay higher interest rates than are permissible on other savings or time-deposit accounts.

Commercial Paper Short-term, unsecured promissory notes issued in either registered or bearer form and usually backed by a line of credit with a bank. Maturities do not exceed 270 days and generally average 30-45 days.

Coupon Rate The annual rate of interest payable on a security expressed as a percentage of the principal amount.

CUSIP Numbers CUSIP is an acronym for Committee on Uniform Security Identification Procedures. CUSIP numbers are identification numbers assigned each maturity of a security issue and usually printed on the face of each individual security in the issue. The CUSIP numbers are intended to facilitate identification and clearance of securities.

Inverse Floaters An adjustable interest rate note keyed to various indices such as LIBOR, commercial paper, federal funds, treasuries and derivative structures. The defined interest rate formula is the opposite or inverse of these indices. Interest rates and pay dates may reset daily, weekly, monthly, quarterly, semi-annually or annually.

Liquidity Usually refers to the ability to convert assets (such as investments) into cash.

Mark to Market Valuing the inventory of held securities at its current market value.

Market Value Price at which a security can be traded in the current market.

Maturity The date upon which the principal of a security becomes due and payable to the holder.

Medium-Term Notes (MTNs) Corporate debt obligations continuously offered in a broad range of maturities. MTNs were created to bridge the gap between commercial paper and corporate bonds. The key characteristic of MTNs is that they are issued on a continuous basis.

Money Market Instruments Private and government obligations of one year or less.

Offer The price of a security at which a person is willing to sell.

Par Value The stated or face value of a security expressed as a specific dollar amount marked on the face of the security; the amount of money due at maturity. Par value should not be confused with market value.

Premium The amount by which the price paid for a security exceeds par value, generally representing the difference between the nominal interest rate and the actual or effective return to the investor.

Range Notes A security whose rate of return is pegged to an index. The note defines the interest rate minimum or floor and the interest rate maximum or cap. An example of an index may be federal funds. The adjustable rate of interest is determined within the defined range of the funds.

Repurchase Agreement or RP or REPO An agreement consisting of two simultaneous transactions whereby the investor purchases securities from a bank or dealer and the bank or dealer agrees to repurchase the securities at the same price on a certain future date. The interest rate on a RP is that which the dealer pays the investor for the use of his funds. Reverse repurchase agreements are the mirror image of the RPs when the bank or dealer purchases securities from the investor under an agreement to sell them back to the investor.

Settlement Date The date used in price and interest computations, usually the date of delivery.

SLUGS An acronym for State and Local Government Series. SLUGS are special United States Government securities sold by the Secretary of the Treasury to states, municipalities and other local government bodies through individual subscription agreements. The interest rates and maturities of SLUGS are arranged to comply with arbitrage restrictions imposed under Section 103 of the Internal Revenue Code. SLUGS are most commonly used for deposit in escrow in connection with the issuance of refunding bonds.

STRIPS US Treasury acronym for “separate trading of registered interest and principal of securities." Certain registered Treasury securities can be divided into separate interest and principal components, which may then be traded as separate entities.

SWAP Generally refers to an exchange of securities, with essentially the same par value, but may vary in coupon rate, type of instrument, name of issuer and number of days to maturity. The purpose of the SWAP may be to enhance yield, to shorten the maturity or any benefit deemed by the contracting parties.

Treasury Securities Debt obligations of the United States Government sold by the Treasury Department in the form of bills, notes and bonds:

- **Bills** Short-term obligations that mature in one year or less and are sold at a discount in lieu of paying periodic interest.

- **Notes** Interest-bearing obligations that mature between one year and 10 years.

- **Bonds** Interest-bearing long-term obligations that generally mature in 10 years or more.

Zero-Coupon Security A security that makes no periodic interest payments but instead is sold at a deep discount from its face value.

APPENDIX

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Resolution on January 20, 2009 by the following vote:

AYES: GIOIA, UILKEMA, PIEPHO, & BONILLA

NOES: NONE

ABSENT: GLOVER

ABSTAIN:

RESOLUTION OF CONTRA COSTA COUNTY
(Account #99-07-000)

Resolution No. 2009/25

AGENCY ADDRESS	625 Court Street, Room 102 Martinez, CA 94553	AGENCY PHONE NUMBER	925-957-2850

AUTHORIZING INVESTMENT OF MONIES IN THE LOCAL AGENCY INVESTMENT FUND

WHEREAS, Pursuant to Chapter 730 of the statutes of 1976 Section 16429.1 was added to the California Government Code to create a Local Agency Investment Fund in the State Treasury for the deposit of money of a local agency for purposes of investment by the State Treasurer; and

WHEREAS, the Board of Supervisors does hereby find that the deposit and withdrawal of money in the Local Agency Investment Fund in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein as in the best interests of the **CONTRA COSTA COUNTY.**

NOW THEREFORE, BE IT RESOLVED, that the Board of Supervisors does hereby authorize the deposit and withdrawal of **CONTRA COSTA COUNTY** monies in the Local Agency Investment Fund in the State Treasury in accordance with the provisions of Section 16429.1 of the Government Code for the purpose of investment as stated therein, and verification by the State Treasurer's Office of all banking information provided in that regard.

BE IT FURTHER RESOLVED, that the following **CONTRA COSTA COUNTY** officers or their successors in office shall be authorized to order the deposit or withdrawal of monies in the Local Agency Investment Fund:

William J. Pollacek	Russell V. Watts	Brice E. Bins
(NAME)	(NAME)	(NAME)
Treasurer-Tax Collector	Chief Deputy Treasurer-Tax Collector	Assistant Treasurer
(TITLE)	(TITLE)	(TITLE)
(SIGNATURE)	(SIGNATURE)	(SIGNATURE)

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown

ATTESTED: January 20, 2009
DAVID TWA, Clerk of the Board of Supervisors
And County Administrator

By C. Wilson Deputy

RESOLUTION NO. 2008/25

CONTRA COSTA COUNTY

TREASURER'S QUARTERLY INVESTMENT REPORT

AS OF MARCH 31, 2011

TABLE OF CONTENTS

EXECUTIVE SUMMARY

- The Treasurer's investment portfolio is in compliance with Government Code 53600 et. seq..

- The Treasurer's investment portfolio is in compliance with the Treasurer's current investment policy.

- The Treasurer's investment portfolio has no securities lending, reverse repurchase agreements or derivatives.

- The total cost of the investment portfolio was equal to **$2,068,153,448** on March 31, 2011. The fair value was **$2,068,891,716** which was 100.04% of cost.

- The weighted average maturity of the total investment pool was 159 days. More than 84 percent of the portfolio or over $1.74 billion will mature in less than a year. Historical activities combined with future cash flow projections indicate that the County is able to meet its cash flow needs for the next six months. However, the State's deferral policies and budget deficit could have a significant impact on the County's cash flow during the next six months.

CONTRA COSTA COUNTY INVESTMENT POOL
As of March 31, 2011

TYPE	PAR VALUE	COST	FAIR VALUE	PERCENT OF TOTAL COST
A. Investments Managed by Treasurer's Office				
1. U.S. Treasuries (STRIPS, Bills, Notes)	$26,130,000.00	$25,945,593.64	$26,087,534.50	1.25%
2. U.S. Agencies				
Federal Agriculture Mortgage Corporation	4,272,000.00	4,536,864.00	4,431,532.50	0.22%
Federal Home Loan Banks	82,111,000.00	83,026,355.31	83,559,692.39	4.01%
Federal National Mortgage Association	85,509,000.00	85,667,103.77	85,401,694.08	4.14%
Federal Farm Credit Banks	16,637,000.00	16,720,229.82	16,763,390.63	0.81%
Federal Home Loan Mortgage Corporation	96,583,000.00	98,576,380.04	98,479,231.05	4.77%
Municipal Bonds	1,000,000.00	1,000,000.00	1,000,000.00	0.05%
Subtotal	286,112,000.00	289,526,932.94	289,635,540.65	14.00%
3. Money Market Instruments				
Bankers Acceptances	58,920,000.00	58,852,665.73	58,884,867.63	2.85%
Repurchase Agreement	213,089,000.00	213,089,000.00	213,089,000.00	10.30%
Commercial Paper	370,160,000.00	369,913,638.73	370,074,546.10	17.89%
Negotiable Certificates of Deposit	254,740,000.00	254,740,000.00	254,820,778.82	12.32%
Corporate Notes	72,670,000.00	73,359,713.30	73,064,816.15	3.55%
Time Deposit	3,076.96	3,076.96	3,092.63	0.00%
Subtotal	969,582,076.96	969,958,094.72	969,937,101.33	46.90%
TOTAL (Section A.)	1,281,824,076.96	1,285,430,621.30	1,285,660,176.48	62.15%
B. Investments Managed by Outside Contractors				
1. Local Agency Investment Fund	387,534,625.22	387,534,625.22	388,023,753.98	18.74%
2. Other				
a. California Asset Management Program (RDA)	29,406.45	26,246.72	26,250.76	0.00%
b. Miscellaneous (BNY, Mechanics, CCFCU)	252,894.20	252,894.20	253,451.21	0.01%
c. Wells Fargo Asset Management	44,646,303.00	45,052,987.86	45,109,569.09	2.18%
d. BofA Global Capital Management	37,586,772.41	38,310,735.97	38,229,082.07	1.85%
e. CalTRUST (Short-Term Fund)	61,970,606.63	61,970,606.63	62,004,163.31	3.00%
f. CalTRUST (Heritage MMkt Fund)	75,170,427.34	75,170,427.34	75,180,966.36	3.63%
Subtotal	219,656,410.03	220,783,898.72	220,803,482.80	7.04%
TOTAL (Section B.)	607,191,035.25	608,318,523.94	608,827,236.78	29.41%
C. Cash	174,404,302.62	174,404,302.62	174,404,302.62	8.43%
***GRAND TOTAL (FOR A , B, & C)**	$2,063,419,414.83	$2,068,153,447.86	$2,068,891,715.88	100.00%

* Does not include the Futuris Public Entity Trust of the Contra Costa Community College District Retirement Board of Authority

*Market value to be adjusted from current statements
**Market value adjusted.

NOTES TO INVESTMENT PORTFOLIO SUMMARY AS OF MARCH 31, 2011

1. All report information is unaudited but due diligence was utilized in its preparation.

2. There may be slight differences between the portfolio summary page and the attached exhibits and statements for investments managed by outside contractors or trustees. The variance is due to the timing difference in recording transactions associated with outside contracted parties during interim periods and later transmitted to the appropriate county agency and/or the Treasurer's Office. In general, the Treasurer's records reflect booked costs at the beginning of a period.

3. All securities and amounts included in the portfolio are denominated in United States Dollars.

CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

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INVESTMENTS OUTSTANDING AS OF 03/31/11
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL	(Inv Type) 10 TREASURY NOTES - STRIPS		.03%(M)		8.1600	408,000.00	407,745.00	245,752.47	5,840.63
					10.3332	156,151.90	99.93750000000		
SUBTOTAL	(Inv Type) 11 TREASURY BILLS		.31%(M)		.4000	4,015,000.00	4,015,000.00	15,167.77	267.67
					.4015	3,999,564.56	100.0000000000		
SUBTOTAL	(Inv Type) 12 TREASURY NOTES		1.69%(M)		.9395	21,707,000.00	21,664,789.50	61,298.86	61,382.81
					.7507	21,789,877.18	99.80554400000		-164,282.99
SUBTOTAL	(Inv Type) 18 FNMA FLTG RATE		.39%(M)		.3557	5,060,000.00	5,067,153.13	1,372.63	8,672.43
					.3742	5,058,480.70	100.1413660000		
SUBTOTAL	(Inv Type) 20 FRMC NOTES		.34%(M)		4.9500	4,272,000.00	4,431,532.50	39,943.20	.00
					3.2594	4,536,864.00	103.7343750000		-105,331.50
SUBTOTAL	(Inv Type) 22 FHLB NOTES		6.06%(M)		2.3362	76,490,000.00	77,939,375.03	434,233.50	761,036.77
					1.9362	77,408,976.54	101.8948560000		-224,882.00
SUBTOTAL	(Inv Type) 23 FNMA NOTES		5.46%(M)		1.0882	70,249,000.00	70,138,063.76	168,818.26	50,503.08
					1.0013	70,427,085.70	99.84208100000		-335,080.58
SUBTOTAL	(Inv Type) 27 FFCB NOTES		1.30%(M)		1.6065	16,637,000.00	16,763,390.63	59,248.98	56,054.51
					1.4635	16,720,229.82	100.7596960000		-12,893.70
SUBTOTAL	(Inv Type) 28 FHLMC DISCOUNT NOTES		.70%(M)		.2222	9,013,000.00	9,008,334.12	7,179.40	3,174.17
					.2226	8,997,980.55	99.94823200000		
SUBTOTAL	(Inv Type) 29 FHLMC NOTES		6.96%(M)		2.1331	87,570,000.00	89,470,896.93	444,154.70	408,314.60
					1.4041	89,578,399.49	102.1707170000		-476,366.23
SUBTOTAL	(Inv Type) 31 MUNICIPAL BONDS		.08%(M)		4.5760	1,000,000.00	1,000,000.00	5,847.11	.00
					4.5760	1,000,000.00	100.0000000000		
SUBTOTAL	(Inv Type) 41 FNMA DISCOUNT NOTES		.79%(M)		.2322	10,200,000.00	10,196,477.19	12,374.26	2,656.86
					.2327	10,181,537.37	99.96546300000		-91.30
SUBTOTAL	(Inv Type) 43 FHLB DISCOUNT NOTES		.44%(M)		.1298	5,621,000.00	5,620,317.36	2,233.89	704.70
					.1300	5,617,378.77	99.98785600000		
SUBTOTAL	(Inv Type) 51 BA, DOMESTIC		4.58%(M)		.3095	58,920,000.00	58,884,867.63	28,735.34	3,591.56
					.3099	58,852,665.73	99.94037300000		-125.00
SUBTOTAL	(Inv Type) 61 REPURCHASE AGREEMENTS		16.57%(M)		.0665	213,089,000.00	213,089,000.00	864.22	.00
					.0665	213,089,000.00	100.0000000000		

CONTRA COSTA COUNTY
TREASURER'S OFFICE
INVESTMENT INVENTORY WITH MARKET VALUE

(RPTMKT) RUN: 04/11/11 08:42:33

INVESTMENTS OUTSTANDING AS OF 03/31/11
MAJOR SORT KEY IS ICC#

INVEST NUMBER	DESCRIPTION PURCHASE MATURITY DATE	CUSIP	BANK BROK	FUND SAFE	CPN RATE YTM TR	PAR/SHARES BOOK	MARKET VALUE MARKET PRICE	CURR ACCR INT PRICE SOURCE	UNREALIZED GAIN UNREALIZED LOSS
SUBTOTAL	(Inv Type) 70 COMMERCIAL PAPER INT		10.25%(M)		.2809	131,770,000.00	131,770,000.00	72,914.68	.00
					.2809	131,770,000.00	100.0000000000		
SUBTOTAL	(Inv Type) 71 COMMERCIAL PAPER DISC		18.54%(M)		.3237	238,390,000.00	238,304,546.10	146,590.15	15,567.22
					.3240	238,143,638.73	99.96415400000		-1,250.00
SUBTOTAL	(Inv Type) 72 NEGOTIABLE CD		19.82%(M)		.3245	254,740,000.00	254,820,778.82	145,316.48	80,778.82
					.3245	254,740,000.00	100.0317100000		
SUBTOTAL	(Inv Type) 73 CORP NOTE FLTG RT		.86%(M)		1.5536	11,000,000.00	11,026,250.00	13,816.42	428.00
					1.4322	11,028,947.00	100.2386360000		-3,125.00
SUBTOTAL	(Inv Type) 75 CORPORATE NOTES		4.83%(M)		2.6124	61,670,000.00	62,038,566.15	414,859.28	202,300.09
					2.0341	62,330,766.30	100.5976420000		-494,470.24
SUBTOTAL	(Inv Type) 1000 TIME DEPOSIT		.00%(M)		3.7500	3,076.96	3,092.63	568.92	15.67
					3.7500	3,076.96	100.5093360000		
	GRAND TOTAL				.7326	1281824076.96	1285660176.48	2,321,290.52	1,661,289.59
					.6133	1285430621.30	100.2992690000		-1,817,898.54

GRAND TOTAL: NET OF RETIREMENT $1,911,000.00

APPENDIX H

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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ASSURED GUARANTY MUNICIPAL

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No: -N

BONDS: $ in aggregate principal amount of

Effective Date:

Premium: $

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

Form 500NY (5/90)

MIX
From responsible sources
FSC™ C017146
FSC www.fsc.org
Printed by: ImageMaster