



Los Gatos-Saratoga High School District

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FILED

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November 19, 2013

Honorable Brian C. Walsh
Presiding Judge
California Superior Court,
County of Santa Clara
191 North First St.
San Jose, CA 95113

DAVID H. YAMASAKI
Chief Executive Officer/Clerk,
Superior Court of CA County of Santa Clara
BY BRITNEY HUELBIG

The Honorable Brian Walsh,

This letter is written in response to the 2012-13 Civil Grand Jury Report regarding the use of Capital Appreciation Bonds (CAB). District Administrative Staff finds that Zero Coupon Bonds in which the interest on a CAB is deferred is ultimately detrimental to our community, taxpayers, schools, and students, with compelling financial justification. Therefore, the Los Gatos-Saratoga Joint Union High School District agrees with Finding 1.

The recommendation has not yet been implemented, but will be implemented in the future, by June 30, 2014. The recommendation will include the adoption of a Board Policy prohibiting the use of CABs for voter approved debt, without compelling financial analysis demonstrating that the issuance of CABs is beneficial to a specific situation.

Please let our Assistant Superintendent for Business, Tom Woodruff, know if you have questions or need additional information.

Sincerely,

Bob Mistele, Superintendent

Cc Members of the Governing Board
Tom Woodruff

EXCELLENCE IN EDUCATION

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