

MFS CALIFORNIA MUNICIPAL FUND
Form N-Q
April 25, 2011

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM N-Q
QUARTERLY SCHEDULE OF PORTFOLIO HOLDINGS OF
REGISTERED MANAGEMENT INVESTMENT COMPANIES

Investment Company Act file number 811-09537

MFS CALIFORNIA MUNICIPAL FUND

(Exact name of registrant as specified in charter)

500 Boylston Street, Boston, Massachusetts 02116

(Address of principal executive offices) (Zip code)

Susan S. Newton

Massachusetts Financial Services Company

500 Boylston Street

Boston, Massachusetts 02116

(Name and address of agents for service)

Registrant's telephone number, including area code: (617) 954-5000

Date of fiscal year end: November 30

Date of reporting period: February 28, 2011

ITEM 1. SCHEDULE OF INVESTMENTS.

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MFS California Municipal Fund

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11

Issuer	Shares/Par	Value (\$)
Municipal Bonds 178.1%		
Airport & Port Revenue 4.8%		
Los Angeles, CA, Department of Airports Rev. (Los Angeles International), C, BHAC, 5.25%, 2038	\$ 750,000	\$ 750,383
Orange County, CA, Airport Rev., A, 5%, 2031	190,000	189,506
Port of Oakland, CA, A, NATL, 5%, 2026	435,000	391,226

\$ 1,331,115

General Obligations - General Purpose 5.6%		
State of California, AMBAC, 6%, 2017	\$ 1,000,000	\$ 1,157,840
State of California, 5.25%, 2040	415,000	393,495

\$ 1,551,335

General Obligations - Schools 33.4%		
Alhambra, CA, Unified School District, B, ASSD GTY, 5.25%, 2028	\$ 500,000	\$ 512,615
Banning, CA, Unified School District (Election of 2006), B, ASSD GTY, 5.25%, 2033	500,000	498,670
Chabot-Las Positas, CA, Community College District (Election of 2004), B, AMBAC, 5%, 2030	60,000	58,973
Chabot-Las Positas, CA, Community College District (Election of 2004), B, AMBAC, 5%, 2031	340,000	330,660
Culver City, CA, School Facilities Financing Authority Rev. (Culver City Unified School District), AGM, 5.5%, 2025	1,000,000	1,090,700
Desert Sands, CA, Unified School District (Election of 2001), AMBAC, 5%, 2031	535,000	533,609
Lake Tahoe, CA, Unified School District (Election of 2008), Capital Appreciation, AGM, 0%, 2045	515,000	114,799
Montebello, CA, Unified School District (Election of 2004), A-1, ASSD GTY, 5.25%, 2034	355,000	352,618
Peralta, CA, Community College District, 5%, 2016	500,000	561,540
Pittsburg, CA, Unified School District, B, AGM, 5.5%, 2034	500,000	507,565
Pomona, CA, Unified School District, A, NATL, 6.55%, 2029	1,000,000	1,058,290
Rancho Santiago, CA, Community College District, AGM, 5.125%, 2029	175,000	175,312
San Diego, CA, Community College (Election of 2002), 5.25%, 2033	125,000	125,246
San Diego, CA, Unified School District (Election of 1998), AGM, 5.25%, 2028	800,000	820,136
Vallejo City, CA, Unified School District, A, NATL, 5.9%, 2025	500,000	473,140
Victor, CA, Elementary School District (Election of 2008), A, ASSD GTY, 5.125%, 2034	500,000	485,055
Washington, CA, Yolo County Unified School District (New High School Project), 5%, 2021	450,000	455,144
West Contra Costa, CA, Unified School District, A, NATL, 5.7%, 2023	500,000	519,660
West Covina, CA, Unified School District, A, NATL, 5.8%, 2021	500,000	541,830

\$ 9,215,562

Healthcare Revenue - Hospitals 15.9%		
California Health Facilities Financing Authority Rev. (Sutter Health), B, 5.875%, 2031	\$ 500,000	\$ 504,125
California Health Facilities Financing Authority Rev. (Cedars-Sinai Medical Center), 5%, 2034	250,000	220,288
California Municipal Finance Authority, COP (Community Hospitals of Central California), 5.25%, 2027	250,000	219,733
California Statewide Communities Development Authority Rev. (Adventist), ASSD GTY, 5%, 2037	500,000	460,455
California Statewide Communities Development Authority Rev. (Catholic Healthcare West), K, ASSD GTY, 5.5%, 2041 (f)	1,000,000	964,230
California Statewide Communities Development Authority Rev. (Daughters of Charity Health), A, 5.25%, 2030	250,000	211,488
California Statewide Communities Development Authority Rev. (Enloe Medical Center), A, CALHF, 5.5%, 2023	500,000	509,150
California Statewide Communities Development Authority Rev. (Santa Ynez Valley Cottage Hospital), 5.25%, 2030	260,000	244,153

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MFS California Municipal Fund

PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds continued		
Healthcare Revenue - Hospitals continued		
California Statewide Communities Development Authority Rev. (St. Joseph Health System), FGIC, 5.75%, 2047	\$ 500,000	\$ 467,610
Santa Clara County, CA, Financing Authority Rev. (El Camino Hospital), AMBAC, 5.125%, 2041	400,000	343,496
Upland, CA, San Antonio Community Hospital, COP, 6.375%, 2032	250,000	251,330
		\$ 4,396,058
Healthcare Revenue - Long Term Care 5.0%		
ABAG Finance Authority for Non-Profit Corps., CA, Rev. (Casa de las Campanas), CALHF, 6%, 2037	\$ 385,000	\$ 364,999
ABAG Finance Authority for Non-Profit Corps., CA, Rev. (Odd Fellows Home), NATL, 6%, 2024	1,000,000	1,002,790
		\$ 1,367,789
Miscellaneous Revenue - Other 5.5%		
ABAG Finance Authority for Non-Profit Corps., CA, Rev. (Jackson Lab), 5.75%, 2037	\$ 385,000	\$ 352,040
California Infrastructure & Economic Development Bank Rev. (Walt Disney Family Museum), 5.25%, 2033	160,000	153,558
San Francisco, CA, City & County Redevelopment Agency, Hotel Tax Rev., AGM, 6.75%, 2025	1,000,000	1,002,760
		\$ 1,508,358
Sales & Excise Tax Revenue 2.4%		
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., C, AGM, 5.125%, 2042	\$ 500,000	\$ 463,655
Puerto Rico Sales Tax Financing Corp., Sales Tax Rev., Capital Appreciation, A, 0%, 2032	250,000	202,085
		\$ 665,740
Single Family Housing - Local 0.1%		
California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, A, GNMA, 6.35%, 2029	\$ 5,000	\$ 5,003
California Rural Home Mortgage Finance Authority Rev., Mortgage Backed Securities Program, B4, GNMA, 6.35%, 2029	20,000	20,818
		\$ 25,821
Solid Waste Revenue 1.7%		
Salinas Valley, CA, Solid Waste Authority Rev., AMBAC, 5.125%, 2022	\$ 500,000	\$ 481,780
State & Agency - Other 1.5%		
Sacramento County, CA, Public Facilities Project, COP, AMBAC, 4.75%, 2027	\$ 500,000	\$ 422,780
State & Local Agencies 33.5%		
Calabasas, CA, Certificate Participants (City Hall & Civic Center Project), AMBAC, 4.5%, 2041	\$ 725,000	\$ 593,043
Compton, CA, Public Finance Authority, AMBAC, 5%, 2032	500,000	422,165
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., FGIC, 5%, 2035	255,000	223,819
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., BHAC, 5%, 2038	1,000,000	904,090
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, ASSD GTY, 5%, 2035	320,000	280,870
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A, FGIC, 5%, 2035	1,000,000	836,540

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Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., Enhanced, A , FGIC, 5%, 2038	1,000,000	824,930
Huntington Park, CA, Public Financing Authority Rev., A , AGM, 5.25%, 2019	1,000,000	1,085,860
Los Angeles County, CA, Schools Regionalized Business Service Corp., Pooled Financing, Capital Appreciation, A , AMBAC, 0%, 2018	2,020,000	1,327,059
Los Angeles County, CA, Schools Regionalized Business Service Corp., Pooled Financing, Capital Appreciation, A , AMBAC, 0%, 2023	2,220,000	955,044

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PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds continued		
State & Local Agencies continued		
Los Angeles, CA, Municipal Improvement Corp. Lease Rev., B, ASSD GTY, 5.5%, 2030	\$ 390,000	\$ 395,308
Western Placer, CA, Unified School, B, ASSD GTY, 5.125%, 2047	1,200,000	1,072,728
Yuba, CA, Levee Financing Authority Rev. (Levee Financing Project), A, ASSD GTY, 5%, 2038	330,000	307,190
		\$ 9,228,646
Tax Assessment 12.0%		
Fontana, CA, Public Finance Authority, Tax Allocation Rev. (Sub Lien North Fontana Redevelopment), A, AMBAC, 5%, 2029	\$ 1,000,000	\$ 831,000
Huntington Beach, CA, Community Facilities District, Special Tax (Grand Coast Resort), 2000-1, 6.45%, 2031	100,000	97,126
Lancaster, CA, Financing Authority, Tax Allocation Rev. (Projects No. 5 & 6 Redevelopment Projects), NATL, 5.25%, 2020	825,000	802,049
San Diego, CA, Redevelopment Agency, Tax Allocation Rev. (Centre City), A, AMBAC, 5.25%, 2025	500,000	464,030
San Dieguito, CA, Public Facilities Authority, A, AMBAC, 5%, 2032	500,000	457,985
San Jose, CA, Redevelopment Agency, Tax Allocation (Merged Area Redevelopment Project), C, NATL, 4.25%, 2030	900,000	649,899
		\$ 3,302,089
Tobacco 5.8%		
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 5.125%, 2047	\$ 1,000,000	\$ 602,060
Golden State, CA, Tobacco Securitization Corp., Tobacco Settlement Rev., A-1, 5.75%, 2047	1,500,000	1,005,105
		\$ 1,607,165
Toll Roads 1.7%		
Foothill/Eastern Corridor Agency, CA, Toll Road Rev., NATL, 5.125%, 2019	\$ 500,000	\$ 464,540
Transportation - Special Tax 2.0%		
Commonwealth of Puerto Rico Highway & Transportation Authority, Highway Rev., Y, AGM, 5.5%, 2016 (c)	\$ 450,000	\$ 537,750
Universities - Colleges 10.6%		
California Educational Facilities Authority Rev. (Dominican University of California), 5%, 2025	\$ 120,000	\$ 104,418
California Educational Facilities Authority Rev. (University of San Francisco), 6.125%, 2030	285,000	293,593
California University Rev., C, NATL, 5%, 2029	1,500,000	1,455,615
University Enterprises, Inc. (Auxiliary Organization), A, FGIC, 4.375%, 2030	500,000	411,635
University of California Rev., U, 5%, 2017	570,000	652,764
		\$ 2,918,025
Utilities - Investor Owned 3.7%		
California Pollution Control Financing Authority, Pollution Control Rev. (Pacific Gas & Electric Co.), NATL, 5.35%, 2016	\$ 1,000,000	\$ 1,020,700
Utilities - Municipal Owned 3.5%		
Imperial Irrigation District Electric Rev., A, 5%, 2017	\$ 500,000	\$ 558,350
Northern California Power Agency, Capital Facilities Rev., A, 5.25%, 2024	390,000	401,731

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		\$ 960,081	
Utilities - Other 2.7%			
California M-S-R Energy Authority Gas Rev., A , 6.5%, 2039	\$ 245,000	\$ 253,095	
Southern California Public Power Authority (Natural Gas Project No. 1), A , 5%, 2033	585,000	497,332	
		\$ 750,427	

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PORTFOLIO OF INVESTMENTS (unaudited) 2/28/11 - continued

Issuer	Shares/Par	Value (\$)
Municipal Bonds continued		
Water & Sewer Utility Revenue 26.7%		
Atwater, CA, Public Financing Authority Wastewater Rev., ASSD GTY, 5%, 2034	\$ 500,000	\$ 467,330
California Department of Water Resources (Central Valley Project), A-E, 5%, 2028	500,000	517,465
Chino Basin, CA, Regional Financing Authority Rev. (Inland Empire Utilities Agency), A, AMBAC, 5%, 2038	1,000,000	924,850
Hollister, CA, Joint Powers Financing Authority Wastewater Rev. (Refining & Improvement Project), 1, AGM, 5%, 2032	770,000	709,124
Lindmore Irrigation District Rev., Certificates of Participation, A, 5%, 2030	300,000	278,274
Los Angeles, CA, Department of Water & Power Waterworks Rev., C, NATL, 5%, 2029	500,000	504,385
Norco, CA, Financing Authority Enterprise Rev., AGM, 5.625%, 2039	215,000	215,497
Pico Rivera, CA, Water Authority Rev. (Water Systems Project), A, NATL, 5.5%, 2029	2,000,000	2,067,420
Sonoma County, CA, Water Agency Rev., A, AGM, 5%, 2036	600,000	582,348
Wasco, CA, Semitropic Improvement District (Semitropic Water Storage District), A, 5%, 2038	405,000	382,361
Woodland, CA, Financing Authority Wastewater Rev., 5%, 2033	750,000	709,804
		\$ 7,358,858
Total Municipal Bonds		\$ 49,114,619
Money Market Funds (v) 0.0%		
MFS Institutional Money Market Portfolio, 0.2%, at Net Asset Value	210	\$ 210
Total Investments		\$ 49,114,829
Other Assets, Less Liabilities 10.6%		2,914,417
Preferred shares (Issued by the Fund) (88.7)%		(24,450,000)
Net assets applicable to common shares 100.0%		\$ 27,579,246

(c) Refunded bond.

(f) All or a portion of the security has been segregated as collateral for open futures contracts.

(v) Underlying fund that is available only to investment companies managed by MFS. The rate quoted is the annualized seven-day yield of the fund at period end.

The following abbreviations are used in this report and are defined:

COP Certificate of Participation

Insurers

AGM Assured Guaranty Municipal
 AMBAC AMBAC Indemnity Corp.
 ASSD GTY Assured Guaranty Insurance Co.
 BHAC Berkshire Hathaway Assurance Corp.
 CALHF California Housing Finance Agency
 FGIC Financial Guaranty Insurance Co.
 GNMA Government National Mortgage Assn.

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NATL National Public Finance Guarantee Corp.

See attached supplemental information. For more information see notes to financial statements as disclosed in the most recent semiannual or annual report.

MFS California Municipal Fund**Supplemental Information (Unaudited) 2/28/11****(1) Investment Valuations**

Debt instruments and floating rate loans (other than short-term instruments), including restricted debt instruments, are generally valued at an evaluated or composite bid as provided by a third-party pricing service. Short-term instruments with a maturity at issuance of 60 days or less generally are valued at amortized cost, which approximates market value. Futures contracts are generally valued at last posted settlement price as provided by a third-party pricing service on the market on which they are primarily traded. Futures contracts for which there were no trades that day for a particular position are generally valued at the closing bid quotation as provided by a third-party pricing service on the market on which such futures contracts are primarily traded. Open-end investment companies are generally valued at net asset value per share. Securities and other assets generally valued on the basis of information from a third-party pricing service may also be valued at a broker/dealer bid quotation. Values obtained from third-party pricing services can utilize both transaction data and market information such as yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

The Board of Trustees has delegated primary responsibility for determining or causing to be determined the value of the fund's investments (including any fair valuation) to the adviser pursuant to valuation policies and procedures approved by the Board. If the adviser determines that reliable market quotations are not readily available, investments are valued at fair value as determined in good faith by the adviser in accordance with such procedures under the oversight of the Board of Trustees. Under the fund's valuation policies and procedures, market quotations are not considered to be readily available for most types of debt instruments and floating rate loans and many types of derivatives. These investments are generally valued at fair value based on information from third-party pricing services. In addition, investments may be valued at fair value if the adviser determines that an investment's value has been materially effected by events occurring after the close of the exchange or market on which the investment is principally traded (such as foreign exchange or market) and prior to the determination of the fund's net asset value, or after the halting of trading of a specific security where trading does not resume prior to the close of the exchange or market on which the security is principally traded. The adviser generally relies on third-party pricing services or other information (such as the correlation with price movements of similar securities in the same or other markets; the type, cost and investment characteristics of the security; the business and financial condition of the issuer; and trading and other market data) to assist in determining whether to fair value and at what value to fair value an investment. The value of an investment for purposes of calculating the fund's net asset value can differ depending on the source and method used to determine value. When fair valuation is used, the value of an investment used to determine the fund's net asset value may differ from quoted or published prices for the same investment. There can be no assurance that the fund could obtain the fair value assigned to an investment if it were to sell the investment at the same time at which the fund determines its net asset value per share.

Various inputs are used in determining the value of the fund's assets or liabilities. These inputs are categorized into three broad levels. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fund's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the investment. Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities. Level 2 includes other significant observable market-based inputs (including quoted prices for similar securities, interest rates, prepayment speed, and credit risk). Level 3 includes unobservable inputs, which may include the adviser's own assumptions in determining the fair value of investments. Other financial instruments are derivative instruments not reflected in total investments, such as futures. The following is a summary of the levels used as of February 28, 2011 in valuing the fund's assets or liabilities:

Investments at Value	Level 1	Level 2	Level 3	Total
Municipal Bonds	\$	\$ 49,114,619	\$	\$ 49,114,619
Mutual Funds	210			210
Total Investments	\$ 210	\$ 49,114,619	\$	\$ 49,114,829
Other Financial Instruments				
Futures	\$ (16,906)	\$	\$	\$ (16,906)

For further information regarding security characteristics, see the Portfolio of Investments

(2) Portfolio Securities

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The cost and unrealized appreciation and depreciation in the value of the investments owned by the fund, as computed on a federal income tax basis, are as follows:

Aggregate cost	\$ 51,620,673
Gross unrealized appreciation	\$ 709,842
Gross unrealized depreciation	(3,215,686)
Net unrealized appreciation (depreciation)	\$ (2,505,844)

The aggregate cost above includes prior fiscal year end tax adjustments, if applicable.

MFS California Municipal Fund**Supplemental Information (Unaudited) 2/28/11 - continued****(3) Derivative Contracts at 2/28/11****Futures Contracts Outstanding at 2/28/11**

Description	Currency	Contracts	Value	Expiration Date	Unrealized Appreciation (Depreciation)
Liability Derivatives					
<i>Interest Rate Futures</i>					
U.S. Treasury Note 10 yr (Short)	USD	44	\$ 5,238,063	June-2011	\$ (11,498)
U.S. Treasury Bond 30 yr (Short)	USD	14	1,684,813	June-2011	(5,408)
					\$ (16,906)

At February 28, 2011, the fund had sufficient cash and/or other liquid securities to cover any commitments under these derivative contracts.

(4) Transactions in Underlying Affiliated Funds-Affiliated Issuers

An affiliated issuer may be considered one in which the fund owns 5% or more of the outstanding voting securities, or a company which is under common control. For the purposes of this report, the fund assumes the following to be affiliated issuers:

	Beginning Shares/Par Amount	Acquisitions Shares/Par Amount	Dispositions Shares/Par Amount	Ending Shares/Par Amount
Underlying Affiliated Funds				
MFS Institutional Money Market Portfolio	1,965,180	2,509,859	(4,474,829)	210
	Realized Gain (Loss)	Capital Gain Distributions	Dividend Income	Ending Value
Underlying Affiliated Funds				
MFS Institutional Money Market Portfolio	\$	\$	\$ 210	\$ 210

ITEM 2. CONTROLS AND PROCEDURES.

- (a) Based upon their evaluation of the effectiveness of the registrant's disclosure controls and procedures (as defined in Rule 30a-3(c) under the Investment Company Act of 1940 (the "Act")) as conducted within 90 days of the filing date of this Form N-Q, the registrant's principal financial officer and principal executive officer have concluded that those disclosure controls and procedures provide reasonable assurance that the material information required to be disclosed by the registrant on this report is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.
- (b) There were no changes in the registrant's internal controls over financial reporting (as defined in Rule 30a-3(d) under the Act) that occurred during the registrant's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

ITEM 3. EXHIBITS.

File as exhibits as part of this Form a separate certification for each principal executive officer and principal financial officer of the registrant as required by Rule 30a-2(a) under the Act (17 CFR 270.30a-2): Attached hereto.

Notice

A copy of the Agreement and Declaration of Trust, as amended, of the Registrant is on file with the Secretary of State of The Commonwealth of Massachusetts and notice is hereby given that this instrument is executed on behalf of the Registrant by an officer of the Registrant as an officer and not individually and the obligations of or arising out of this instrument are not binding upon any of the Trustees or shareholders individually, but are binding only upon the assets and property of the respective constituent series of the Registrant.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Registrant: MFS CALIFORNIA MUNICIPAL FUND

By (Signature and Title)* MARIA F. DIORIODWYER
Maria F. DiOrioDwyer, President

Date: April 15, 2011

Pursuant to the requirements of the Securities Exchange Act of 1934 and the Investment Company Act of 1940, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By (Signature and Title)* MARIA F. DIORIODWYER
Maria F. DiOrioDwyer, President

(Principal Executive Officer)

Date: April 15, 2011

By (Signature and Title)* JOHN M. CORCORAN
John M. Corcoran, Treasurer

(Principal Financial Officer
and Accounting Officer)

Date: April 15, 2011

* Print name and title of each signing officer under his or her signature.